

2023

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



About this Report

This is the first environmental, social, and governance Report released to the public by Jinhong Gas Co., Ltd. (hereinafter referred to as the Jinhong Gas, group or we), which comprehensively details the group's environmental, social and governance practices and performance in 2023 based on the principles of objectivity, standardisation, transparency and comprehensiveness.



Scope of Report

This report covers Jinhong Gas and subsidiaries/branches under its control. Unless specified otherwise, the scope is consistent with that of the group's Annual Report.

Time Range

This is a report covering the period from January 1, 2023 to December 31, 2023 (the "reporting period"). For the purpose of making the report more comparable and forward-looking, some of the content appropriately refers back to previous years or has forward-looking descriptions. This report is issued on an annual basis, consistent with the financial year.

Compilation Basis

- *Self-Regulatory Guidelines No.1 for Companies Listed on Shanghai Stock Exchange—Standardized Operation(Revised in December 2023)*
- *Self-Regulatory Guidelines No.2 for Companies listed on the STAR Market of Shanghai Stock Exchange-Voluntary Information Disclosure*
- *Guidelines on China's Corporate Social Responsibility Reports (CASS-ESG 5.0)*
- *Sustainability Reporting Standards (2021 version) released by the Global Reporting Initiative (GRI)*
- *Sustainable Development Goals of the United Nations*
- *Sustainability Accounting Standards Board (SASB) Standards*
- *The Guidelines on Corporate Social Responsibility of State-owned Companies*
- *Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*

Data Interpretation

The sources of data used in the report include the original data of the Jinhong Gas's actual operation, public data from government departments, annual financial data, relevant internal statistical statements, third-party questionnaires and interviews. The financial data in this report is denominated in CNY, and in case of any inconsistency with the financial report, the financial report shall prevail.

Reliability

The Board of Directors of the group approved this report on March 25, 2024 in conjunction with the annual report. The Board is committed to overseeing the content of the report and ensuring its freedom from misrepresentation or misleading statements. It is also responsible for ensuring the truth, accuracy, and completeness of the content.

This report is published in Chinese. The English version shall be translated from the Chinese version and in case of any discrepancy between the two versions, please refer to the Chinese one.

Access to the Report

The report can be viewed and downloaded from the official website of the Jinhong Gas (www.jinhonggroup.com) and Shanghai Stock Exchange (www.sse.com.cn).

CONTENT

About this Report	01
Content	03
Message from the Chairman	05
Highlights of Sustainable Development in 2023	07
About Jinhong Gas	09
Sustainability Management	19
Topic: Green Mission for the Gas Industry	25

Look forward to the Future	101
Appendix	103

01

Compliance, the basis of our corporate governance

Governance Structure	29
Returns to Shareholders	32
Investor Rights and Interests	33
Information Disclosure	33
Risk Management	34
Business Ethics	35
Information Security Management	38
Guidance of Party Building	39

02

Environment, the important part of building ecological civilization

Environmental Management	45
Energy Management	46
Environmental Impact Management	50
Ecological Conservation	54

03

Excellence, the ultimate pursuit of quality development

R&D Innovation and IP Management	57
Quality Management	62
Intelligent Manufacturing	64
Safe Production	66
Customer Service	71

04

Cooperation, the common path to achieve sustainable goals

Supplier Management	75
Strategic Cooperation	76
Global Expansion	77
Industry Co-construction	79

05

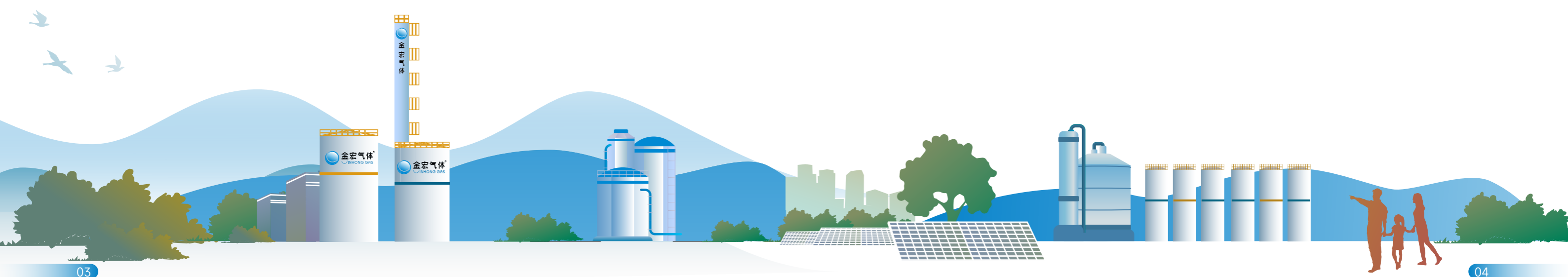
Talent, the strong foundation of our company

Employee Structure	83
Talent Introduction	84
Employee Rights and Interests	85
Salaries and Benefits	88
Employee Training and Development	90
Employee Health	94

06

Responsibility, the commitment to our social contribution

Care for the Next Generation	97
Public Welfare Activities	98





Message from the Chairman



Focusing on sustainable development is the eternal pursuit of the Jinhong Gas. The group firmly practices the concept that "clear waters and green mountains are invaluable assets", actively responds to the goals of "peaking carbon emissions and subsequent carbon neutrality", abides by international standards, effectively fulfils its social responsibility, and lays the cornerstone of green development. In the market competition, the group takes sustainable development as a guideline, continuously improves the quality of products and services, optimises the business structure, contributes to achieving sustainable development goals, and collaboratively builds a better future.

Looking back at the past, the group has taken solid steps on the path of intelligent transformation, actively responding to the innovation-driven development strategy, transforming industries with digital technologies, and continuously improved the intelligent level. At the same time, it proactively delves into sustainable practices and explored application of renewable energy, and has laid a solid foundation for realising eco-friendly production and low-carbon development.

Maintaining ecology is the solemn commitment of the Jinhong Gas to the future. The group adheres to the concept of green development and integrates environmental protection into every aspect of development. It has strengthened environmental management and rigorously controlled environmental pollution in the production process to ensure that waste gas, wastewater, waste residue and other pollutants discharged up to standard, while using environmentally-friendly processes to minimize product impact on the environment.

Striving for excellence is the power source of the Jinhong Gas's continuous breakthrough. The group focuses on innovation-driven development, improves the quality control mechanism, constantly launches new products and services with market competitiveness to meet the diversified needs of customers. As a leading environmentally-friendly, intensive and comprehensive gas service provider in

China, it will continue to increase investment, actively explore new technologies and fields, and endeavour to become a leader in the green and low-carbon sector.

Hand in hand, Jinhong Gas embarks on the road to sustainable development. The group collaborates with partners, industry associations, government departments, and other stakeholders to promote the sustainable development of the industry. Additionally, the group participates in environmental protection initiatives, promotes green living, and supports the development of green industry chains.

Attaching importance to talent is the key to core competitiveness of the Jinhong Gas. The group is dedicated to increasing investment, establishing a comprehensive training system, and providing employees with ample development opportunities. It aims to foster an inclusive and innovative culture and encourage active participation in sustainable development practices. The commitment is to cultivate an outstanding team with a strong sense of sustainable development to create a brighter future.

Taking responsibility is an important guarantee for the Jinhong Gas to win the trust of the society. The group maintains a strong sense of social responsibility and fulfils its obligations as a corporate citizen. It also supports social welfare initiatives and actively participates in poverty alleviation, education support, and other activities to contribute to the development of society.

In the forthcoming voyage, embracing the concept of sustainable development, the group will relentlessly advance intelligent transformation and the research, development and application of clean technologies. We will intensify our commitment to legal compliance, fortify our endeavors in eco-conscious construction, elevate the quality of our products and services, propel the trajectory towards high-quality development. Hand in hand with our partners and stakeholders from all walks of life, we will collectively foster sustainable evolution of the industry, lending greater impetus to the realization of the vision of a Beautiful China. With unwavering determination, we'll strive for a brighter tomorrow!

Highlights of Sustainable Development in 2023



Economic Performance

Revenue
CNY **242,735.33** Ten thousand

Net Income Attributable to Shareholders of Listed Company
CNY **31,500.14** Ten thousand

Total Assets
CNY **623,965.93** Ten thousand

Total Tax Payment (excluding personal income tax)
CNY **17,807.94** Ten thousand

Environment Performance

Investment in Environmental Protection
CNY **333.70** Ten thousand

Integrated Energy Intensity
7.42 tonnes of standard coal per million CNY

Water Intensity
1,288.41 tonnes per million CNY

Greenhouse Gas Emission Intensity (Scope 1 and Scope 2)
27.77 tCO₂e per million CNY

Governance Performance

Shareholders' General Meeting
2 times

Investor Communication
237 times

Coverage of Employee Anti-Corruption Training
100 %

Completed Internal Audit Projects
43 items

Industrial Performance

R&D Investment
CNY **8,630.14** Ten thousand

Patents Granted
332 items

Quality Internal Audit
236 times

Coverage of Safety Training
100 %

Security Investment
CNY **3,240.87** Ten thousand

Employee Performance

Training Investment
CNY **178.03** Ten thousand

Employee Welfare Expenses
CNY **4,670.96** Ten thousand

Coverage of Social Insurance and Housing Provident Fund
100%

Coverage of New Employee Training
100%



● About Jinhong Gas

Group Profile

Founded in 1999, Jinhong Gas is a safety-focused, eco-friendly, and comprehensive gas service provider specializing in gas research and development, manufacturing, sales, and service. Its headquarters are located in Panyang Industrial Park, Huangdai Town, Xiangcheng District, Suzhou. Jinhong Gas was listed in June 2020 (688106) on the STAR Market. After years of development, Jinhong Gas has established over sixty subsidiaries, paving the way for the group to embark on a path of group operations. Jinhong Gas is dedicated to establishing itself as the first national brand in the gas industry and delivering exceptional value to its customers.

Development History

In 2005, the group constructed its first dry ice production line, thereby expanding the application areas of carbon dioxide. In 2009, it invested in the construction of a carbon dioxide recovery project with an annual production capacity of 100,000 tons. Also in 2009, it completed the shareholding reform, which led to an enhancement of its corporate governance structure. During this phase, the group continuously diversified its product offerings and embarked on a business model emphasizing the circular economy and exhaust gas recycling.

The group introduced the "Vertical & Horizontal Development" strategy. In terms of vertical development, it focused on independently developing and producing various high-barrier specialty gas products, expanding the production capacity of ultra-pure ammonia multiple times, and establishing new projects such as high-purity nitrous oxide and hydrogen to accelerate the industrialization of electronic specialty gases. Regarding horizontal layout, it expanded its operations across regions, deepening its roots in the Yangtze River Delta market while planning to expand nationwide, establishing retail networks in the Pearl River Delta, Beijing-Tianjin, Sichuan-Chongqing, and other regions.

The Second Five-Year Plan 2005~2009

Expanded the gas category and enhanced the brand influence.

The Fourth Five-Year Plan 2015~2019

Vertical and Horizontal layout to build the first national brand in the gas industry.

The First Five-Year Plan 1999~2004

Based in Suzhou, integrated resources and expanded the market.

In 1999, the group was established based on the former Suzhou Liquid Oxygen Manufacturing Plant. During this phase, the main products were bulk gases such as oxygen, nitrogen, argon, and acetylene. It established small air separation production units in Suzhou and acquired some gas production assets in Suzhou from L'Air Liquide. By continuously expanding its market presence, it had gradually established a sales and service network.

The Third Five-Year Plan 2010~2014

Breakthrough in high-end special gases and upgraded corporate governance.

In 2010, the group officially launched the production and operation of 7N electronic-grade ultra-pure ammonia. Following this, in 2012, it invested in the construction of a natural gas-to-hydrogen project. In 2013, the testing center had been accredited as a CNAS-approved laboratory, significantly enhancing its quality control capabilities. During this phase, the group continuously enriched its product range and significantly strengthened its product quality, detection technology, research and development capabilities, and service capabilities. With the listing of the group on the New Third Board in 2014, both brand awareness and corporate image were elevated.

The Fifth Five-Years Plan 2020~2025

Standardised management, high-quality development of Jinhong Gas.

2020

Listed on the STAR Market, Stock Code: 688106

Awarded the "small giant" enterprise, "the 13th Five-Year Plan" gas industry leading enterprise" the 13th Five-Year Plan" gas industry innovative enterprise, Jiangsu Province four-star cloud enterprise. "a device for recovery and purification of nitrous oxide" won the gas industry patent prize award.

2021

Achieved a breakthrough in the first electronic bulk carrier gas project, and signed a supply contract with STIC.

Acquired Haining lishen Oxygen, Hai'an Jixiang, Hai'an Fuyang, Taizhou Guangming, Shanghai Shennan, Changsha Mande, Suzhou Qidu, Zhuzhou Hualong, and integrated bulk storage and transportation facilities.

Recognised as a Pilot Enterprise (AAA Level) for Standard Implementation of Jiangsu Province's Integration of Informationization and Industrialization Management System (Upgraded Version) in 2021, and awarded SDRI (Specialized, Refinement, Differential, and Innovation) "Little Giant" enterprise of Jiangsu Province in 2021.

2022

Officially changed its groups name to Jinhong Gas Co., Ltd.

Acquired Suzhou Sutong.

Awarded the titles of National Intellectual Property Demonstration Enterprise, National Intelligent Manufacturing Demonstration Factory, Excellent Enterprise of Jiangsu Province in Science and Technology Innovation and Development, Jiangsu Manufacturing Outstanding Contribution Award, Jiangsu Governor's Quality Award Nominee Award, and successfully became one of the Jiangsu Innovative Leading Enterprises.

2023

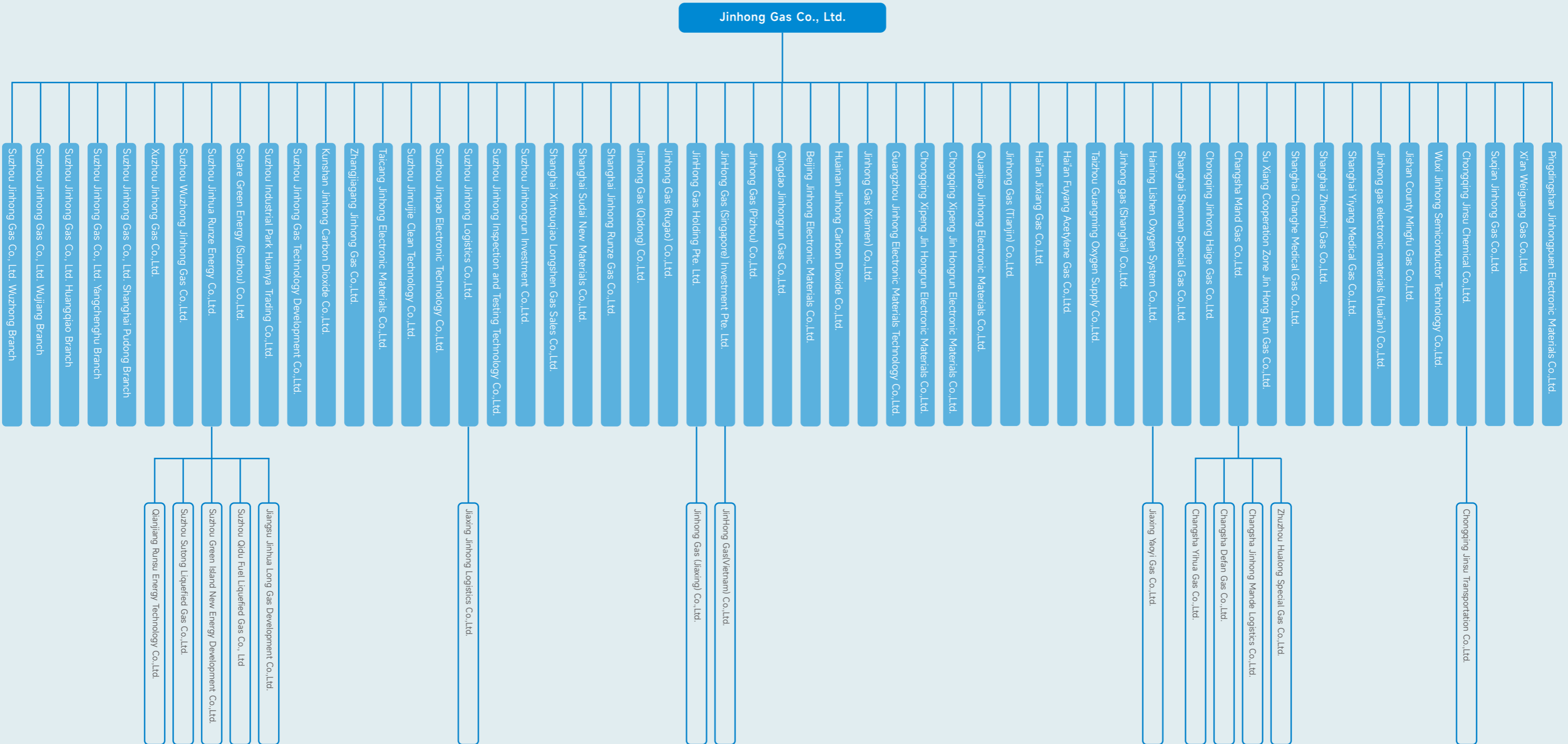
Acquired Shanghai Zhenzhi, Shanghai Changhe and Shanghai Yiyang to integrate medical oxygen sales channels in Shanghai area.

Secured CSMC Electronics Bulk Carrier Gas Project, achieving the first mature mass production FAB bulk gas station replacement in China.

Successfully issued convertible bonds.

Awarded the title of national "Green Factory" in 2022, Jiangsu May 1st Labour Certificate, Jiangsu 5A Civilized Unit, Internationally Renowned Brands that Jiangsu Province focuses on Cultivating And Developing, and Jiangsu Province Industrial Internet Demonstration Project Five-Star Cloud Enterprise.

Organizational Structure

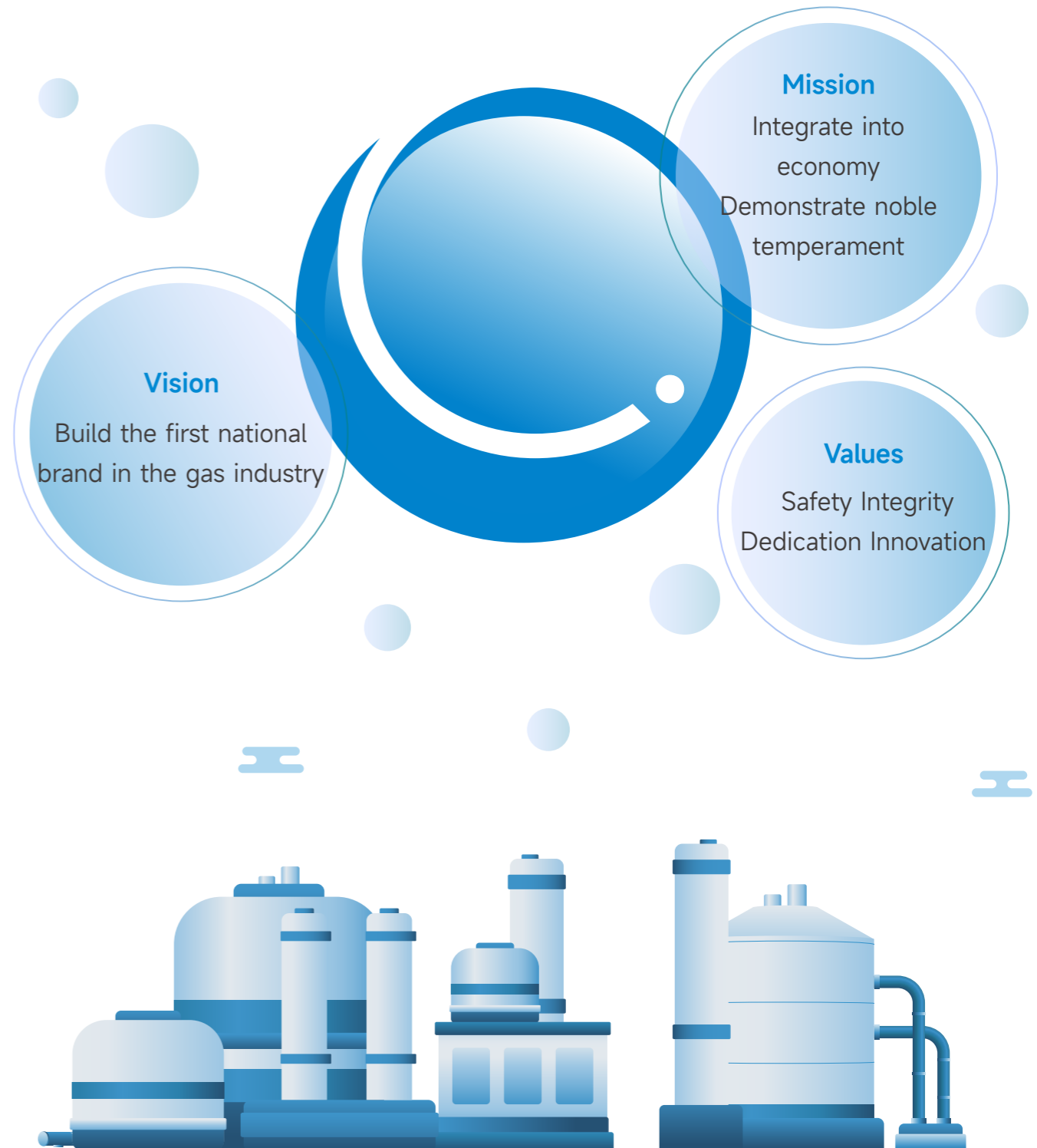


Business Profile

Jinhong Gas is a safety-focused, eco-friendly, and comprehensive gas service provider specializing in gas research and development, manufacturing, sales, and support. With over 20 years of experience in exploration and development, the group has established a complete gas supply and service network with diverse categories, reasonable layout, and reliable distribution. We offer customers more than 100 types of gas products across three categories: special gas, bulk gas, and natural gas. Our product line includes ultra-pure ammonia, high-purity nitrous oxide, ethyl orthosilicate, and high-purity carbon dioxide, high-purity hydrogen and other special gases, electronic bulk carrier gases for the semiconductor industry as well as bulk gases and natural gas for various industrial applications.



Corporate Culture



Enterprise Honors

Levels	Title
National	National Enterprise Technology Center
National	National Post-Doctoral Research Workstation
National	National SDRI (Specialized, Refinement, Differential, and Innovation) "Little Giant" enterprise
National	National Intellectual Property Demonstration Enterprise
National	National High-Tech Enterprise
National	National Intelligent Manufacturing Demonstration Factory
National	National Green Factory
National	National-Level Smart Manufacturing Excellence Scene
National	National Service-Oriented Manufacturing Demonstration Platform
National	Chinese Well-known Trademark
National	China Patent Excellence Award
National	Demonstration Enterprises of China Industry-University-Research Institute Cooperation Innovation
Provincial	Internationally Renowned Brands that Jiangsu Province focuses on Cultivating and Developing
Provincial	Jiangsu Province May 1st Labour Certificate
Provincial	Nomination Award of Jiangsu Governor's Quality Award
Provincial	The New Round of Innovative Leading Enterprises in Jiangsu Province to Cultivate Action entering warehouse of Enterprises
Provincial	Jiangsu Province Industrial Internet Demonstration Project Five-Star Cloud Enterprise
Provincial	Excellent Enterprise with Outstanding Contributions "Made in Jiangsu"
Provincial	Excellent Enterprise of Jiangsu Province in Science and Technology Innovation and Development
Provincial	"Quality Benchmark" of Jiangsu Province
Provincial	Top 100 Innovative Enterprises in Jiangsu Province
Provincial	The First Batch of Supply Chain Innovation and Application Key Cultivation Enterprises in Jiangsu Province
Provincial	Jiangsu Engineering Technology Research Centre for Specialty Gases and Adsorbents Preparation
Provincial	Jiangsu High Purity Specialty Gases Engineering Centre



Sustainability Management

Sustainability Concept

The concept of sustainable development emphasises the comprehensive value of enterprises to the environment, society and the economy, and requires enterprises to pay attention to environmental protection, fulfil their social responsibilities actively, promote economic development, and achieve a harmonious symbiosis between enterprises and society.

Jinhong Gas adheres to the road of sustainable development, actively fulfils its social responsibility, strives to carry out the mission of sustainable development, continuously explores and optimises its portfolio of business, closely follows the concept of green development, and adheres to the road of safe, reliable, efficient and environmentally-friendly development, in an attempt to gain a firm foothold in the increasingly fierce market currents, and to achieve long-term growth.



Sustainability Goal

With the rapid acceleration of globalization and the relentless advancement of science and technology, sustainable development has become an unavoidable topic. Corporate social responsibility and sustainable development capabilities can enable companies to stand in the midst of the current of change.

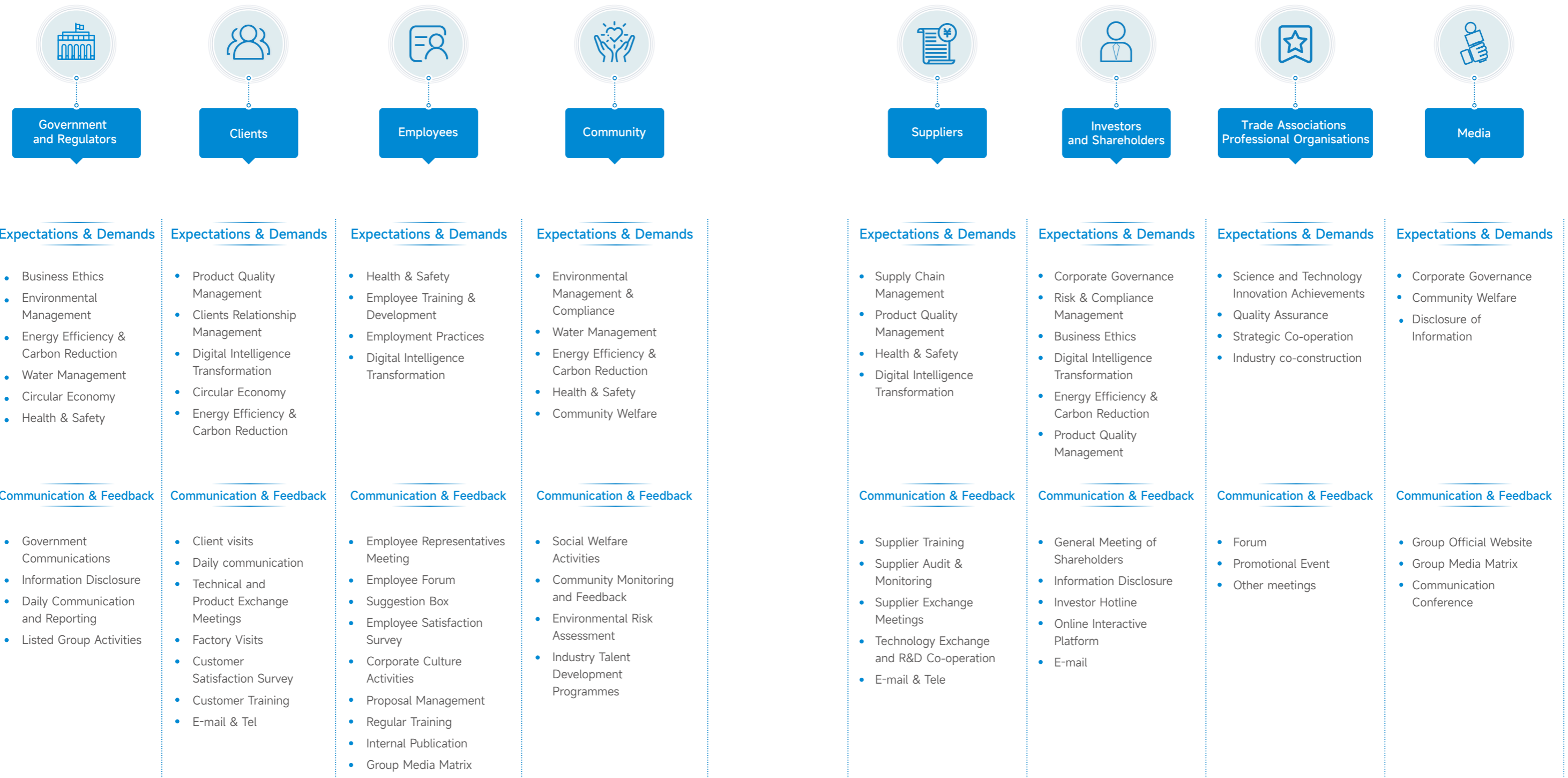
With reference to the Sustainable Development Goals of the United Nations(SDGs) and in conjunction with the actual situation of the group's operation, Jinhong Gas has formulated the management objectives related to sustainable development, which cover economic, social, environmental and other aspects, pointing out the direction of future development and reflecting the group's commitment to the global sustainable development.

Dimension	Management Concept	SDGs
Governance G	Compliance, the basis of our corporate governance	
Environmental E	Environment, the important part of building ecological civilization Topic: Green Mission for the Gas Industry	
Industrial S	Excellence, the ultimate pursuit of quality development Cooperation, the common path to achieve sustainable goals	
Employee S	Talent, the strong foundation of our company	
Commonwealth S	Responsibility, the commitment to our social contribution	

Communication with Stakeholders

Building mutual trust with stakeholders is the cornerstone of achieving a win-win situation. In today's era of competition and cooperation, Jinhong Gas prioritizes communicating with stakeholders, clarifying cooperation goals, formulating feasible plans, ensuring a balance of interests between both parties, and working together towards shared success.

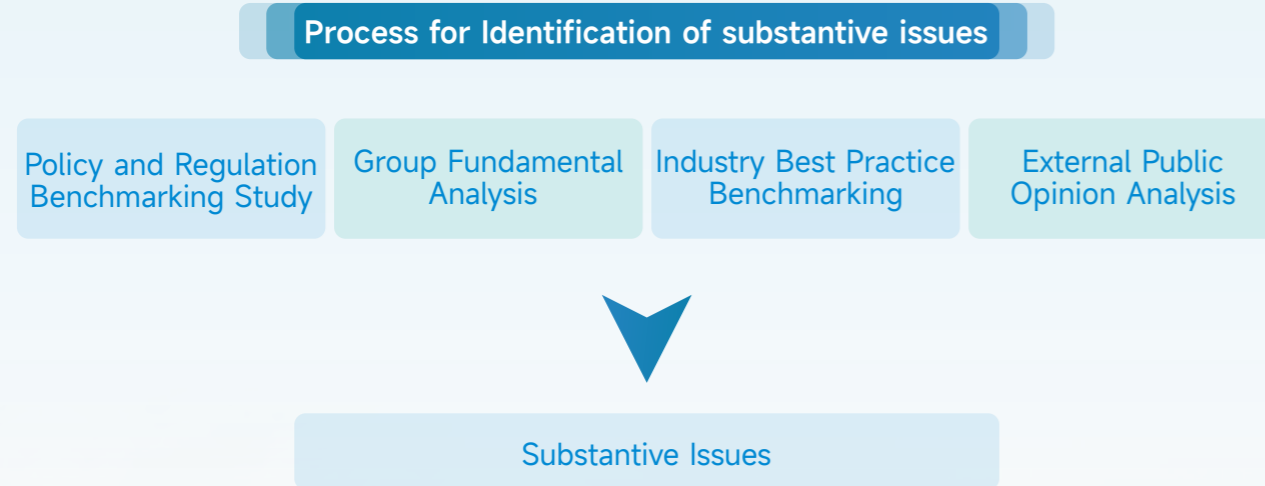
The group values and continuously strengthens regular communication and participation with internal and external stakeholders, establishes various communication channels to promptly understand the opinions and suggestions of all relevant parties, identifies the ESG priorities, and actively responds to the expectations and demands of relevant parties through continuous improvement of its management and practices. Stakeholders primarily include governments and regulators, shareholders and investors, customers, employees, suppliers, communities and others.



Analysis of Substantive Issues

Jinhong Gas analyses its own sustainable development challenges based on the disclosure guidelines of domestic and international social responsibility/sustainable development/ESG reports, the indicators of concern to domestic and international rating agencies, and the tracking analysis of relevant policies in the industry, establishes a mechanism for the identification of material topics, and determines the annual material topics every year through the analyses and researches of internal and external related parties.

Jinhong Gas identified and evaluated the importance of ESG material topics, categorized the key ESG issues. Using the importance level for both the group and stakeholders, it created a substantive issue matrix to outline the significant ESG topics.



Topic

Green Mission for the Gas Industry

Gas is crucial to the industry, playing a vital role in the national economy and various fields. As a key support for modern industry, the gas sector is essential for achieving sustainable development. The industry's commitment to its green mission is not only a demonstration of corporate social responsibility, but also critical to promoting sustainable development.

Jinhong Gas aims to be a pioneer in establishing a sustainable factory and become a leading advocate for environmental responsibility in the industry. Through continuous innovation and optimization of production processes, Jinhong Gas strives to improve resource utilization, reduce energy consumption, and enhance energy efficiency. The ultimate goal is to achieve a low-carbon and green production process, setting an example for the industry in sustainable development. In 2023, the National Ministry of Industry and Information Technology announced the 2022 Green Manufacturing List with Jinhong Gas being honored with the title of "National Green Factory".

In order to achieve the goal of peaking carbon emissions and subsequent carbon neutrality, Jinhong Gas is actively promoting the development of a green circular economy and implementing a nationwide plan. The group has established several tail gas recovery projects on site to recover gases such as hydrogen, carbon dioxide, and nitrous oxide. By fully utilising these resources and utilising carbon dioxide and other tail gases in various fields, it has demonstrated a circular economy, reduced overall carbon emissions, and effectively promoted China's progress towards carbon neutrality. During the reporting period, Jiaying Jinhong Carbon Capture Project entered trial production, and the Huainan Jinhong Carbon Capture and Comprehensive Utilisation Project was officially capped. The Carbon Capture and Utilisation Project can effectively promote the commercialisation and utilisation of carbon capture technology. It can also promote the establishment of an improved carbon asset trading system, provide a more friendly development space for the popularisation and application of CCUS in China, and provide a strong technological guarantee for the realisation of the goals of peaking carbon emissions and subsequent carbon neutrality.

As a group committed to driving sustainable development, Jinhong Gas aims to enhance green manufacturing practices by incorporating hydrogen energy. Hydrogen energy is a clean, carbon-free secondary energy source with widespread availability and diverse applications. It is pivotal in achieving significant decarbonization and catalyzing the transition to sustainable energy sources. Jinhong Gas is capitalizing on industry development opportunities by establishing a presence in the hydrogen energy market. It has created a comprehensive network integrating hydrogen production, storage, transportation, and refuelling.

As of the end of the reporting period, Jinhong Gas has planned five hydrogen production plants in Suzhou, Chongqing, Zhangjiagang, Meishan, and Zhuzhou. The group's logistics ensures the quality, quantity, and supply of hydrogen storage and transportation. It supplies hydrogen to refuelling stations in Jiangsu, Zhejiang, Shanghai, Sichuan, and Chongqing and provides hydrogen for hydrogen fuel cell vehicle demonstration projects, including fixed and skid-mounted refuelling stations for oil-hydrogen joint stations and "Gas-Hydrogen-Electricity Service" integrated refuelling stations, imultaneously exploring applications of hydrogen electric bicycles, forklift trucks and drones.

Looking ahead, Jinhong Gas will stay true to its founding mission and continuing to broaden its green mission both vertically and horizontally. The group will collaborate with the industry to establish a low-carbon ecosystem and contribute to the achievement of carbon neutrality. Jinhong Gas is committed to advancing the green mission of the gas industry and making significant contributions to building a beautiful China and promoting sustainable development.

01

Compliance, the basis of our corporate governance

Compliance governance is essential for both sound enterprise development and modern corporate governance. In today's complex and volatile markets, integrating compliance and legality throughout the entire business management process is imperative for achieving long-term success. Ensuring that the Group operates in a standardised manner in accordance with the rule of law is not only necessary for the sound development of the enterprise, but also a demonstration of its responsibility to society and investors.



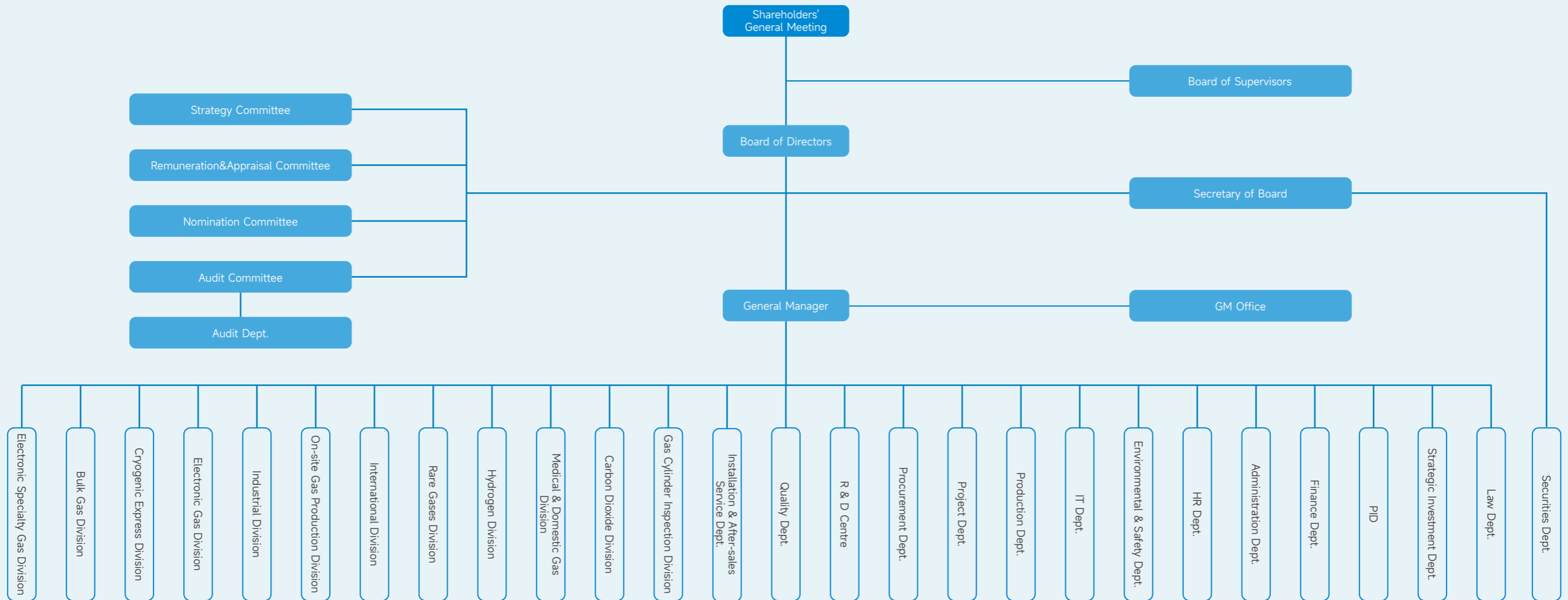
- Governance Structure
- Returns to Shareholders
- Investor Rights and Interests
- Information Disclosure
- Risk Management
- Business Ethics
- Information Security Management
- Guidance of Party Building

Governance Structure

Jinhong Gas adheres strictly to relevant laws and regulations, continuously improves its corporate governance structure, fulfils its information disclosure obligations, and regulates its operations. It has established a corporate governance mechanism with clear division of powers and responsibilities that is scientific and efficient. Jinhong Gas conducts a thorough review of its *Articles of Association*, rules of procedure for various committees, and other relevant documents to enhance corporate governance and establish a strong foundation for sustainable and stable operations, as well as healthy and upward development.



Corporate Structure



▲ Corporate Structure

Shareholders' General Meeting

The Shareholders' General Meeting is the supreme authority of Jinhong Gas, making decisions on major matters and having extensive decision-making power over the Group's operations and management. Jinhong Gas strictly complies with the requirements of relevant laws and regulations and urges the Board of Directors to effectively perform its duties and organise the general meeting of shareholders in a conscientious and punctual manner, so as to ensure that shareholders exercise their rights in accordance with the laws and to ensure that all shareholders of Jinhong Gas, in particular the small and medium-sized shareholders, are able to enjoy equal rights and fully exercise their voting rights.

Jinhong Gas adopts a combination of on-site meetings and web-based meetings to facilitate the participation of investors in voting at general meetings. When the shareholders' general meeting considers significant matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately and disclosed publicly in a timely manner.

During the Reporting Period:

- ✓ **2** general meetings of shareholders were held

Including:

- 1** the annual shareholder's meeting
- 1** the special meeting of shareholders

- ✓ **13** proposals were considered and passed

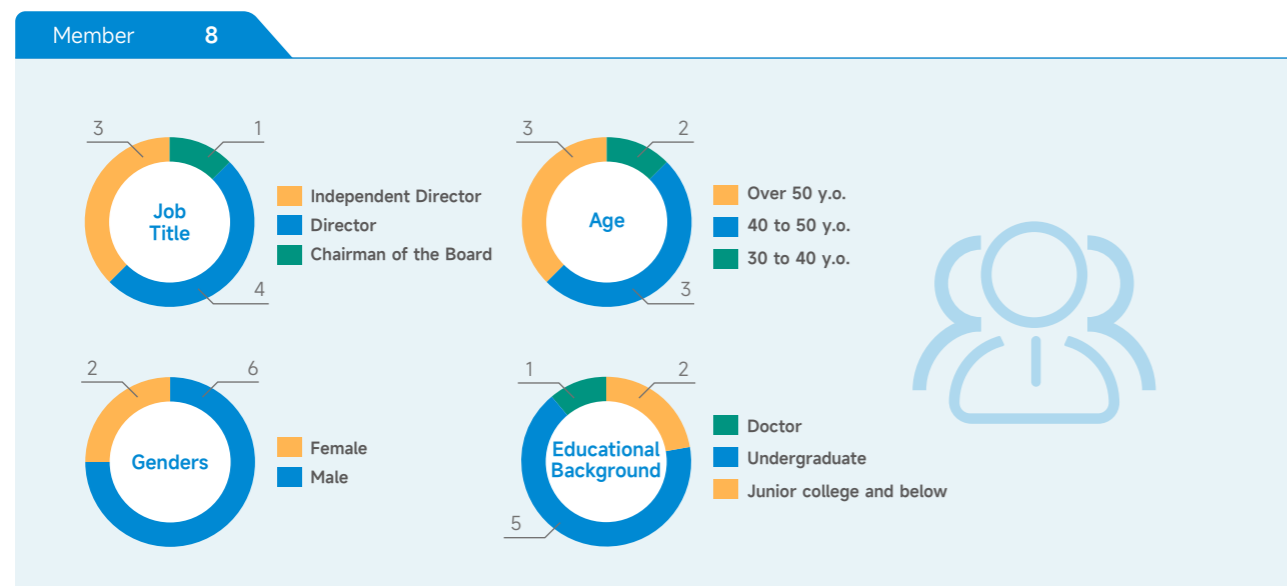
For more information, see the website of Shanghai Stock Exchange (www.sse.com.cn).

Board of Directors

The Board of Directors is responsible to the Shareholders' General Meeting and serves as the decision-making body of Jinhong Gas. When selecting members for the Board of Directors, the Group considers factors such as gender, age, educational background, professional knowledge and skills, and industry experience to ensure a diverse composition that meets the needs of each business sector. Jinhong Gas conducts Board of Directors meetings in strict accordance with the *Articles of Association* and *Rules of Procedure*, and exercises its powers in compliance with the law. This ensures that the Directors, particularly the Independent Directors, play a positive role in the standardized operation of the Group.

During the Reporting Period:

- 8** board meetings were held
- 100%** attendance rate of directors
- 42** proposals were considered and passed



To effectively promote standardized corporate governance and ensure scientific decision-making, Jinhong Gas has established four specialized committees: Audit Committee, Strategic Committee, Nomination Committee, and Compensation and Appraisal Committee in accordance with relevant laws and regulations. These committees are accountable to the board of directors and perform their duties in accordance with the *Articles of Association* and the authorization of the board of directors. Meanwhile, Jinhong Gas has developed the *Rules of Procedure for the Audit Committee of the Board of Directors*, *Rules of Procedure for the Strategic Committee of the Board of Directors*, *Rules of Procedure for the Nomination Committee of the Board of Directors* and *Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors* to guide the working details of the specialized committees.

Board of Supervisors

The Board of Supervisors is the highest supervisory body of the Group and is responsible to the Shareholders' General Meeting.

Supervisors of Jinhong Gas actively attend the Supervisory Meetings, the Board of Directors and the general meeting of shareholders. In accordance with the relevant requirements of the *Articles of Association* and the *Rules of Procedure of the Supervisory Committee*, each supervisor diligently fulfills their duties, overseeing the legality and compliance of the production and operation, financial operations, as well as the performance of duties by the directors and other senior management personnel. They also provide opinions on our resolutions regarding major matters and safeguard the legitimate rights and interests of the group and its shareholders.

During the Reporting Period:

- 7** supervisory meetings were held
- 34** proposals were considered and passed

Returns to Shareholders

In accordance with the *Notice on Further Implementation of Matters Relating to Cash Dividends for Listed Companies*, the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange*, and the *Supervisory Guideline No. 3 of Listed Companies- Cash Dividends for Listed Companies*, Jinhong Gas has fully safeguarded the lawful rights and interests of its shareholders, and provided shareholders with stable and sustainable returns on their investment. The company has taken into consideration the Group's development plan and has specified the policy on profit distribution in the *Articles of Association*.

Key Performance	2023
Cash dividend per share, CNY (Tax included)	0.25
Total Amount of Cash Dividends Disbursed (Tax included), CNY ten thousand	12,030.06
Percentage of net income attributable to shareholders of listed company in consolidated statement, %	52.50

Investor Rights and Interests

Jinhong Gas attaches great importance to investor relationship management and actively safeguards the legitimate rights and interests of investors, especially small and medium-sized investors. It has formulated the *Investor Relationship Management System* and carried out investor relationship management in strict accordance with the *Group Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines No. 1 of the Shanghai Stock Exchange for the Self-regulation of Listed Companies - Standardized Operation* and the *Guidelines for the Management of Investor Relationships of Listed Companies*, as well as other relevant laws and regulations and relevant provisions in the *Articles of Association*, so as to ensure that investors have access to the Group's public information in a fair and timely manner.

During the reporting period, Jinhong Gas actively communicated with investors through a variety of channels such as Regular Reports, Earnings Presentation, On-site Investor Research, Roadshows and Sub Roadshows, Investor Hotlines, the SSE E-Interaction and other channels, responded to investor concerns, and safeguarded the investors' right to know, right to vote, and other legitimate rights and interests, demonstrated the Group's operating conditions to investors by compiling a visual report of the regular report (video and graphics), and pushed the latest business enquiries in time through the mediums of Jinhong Gas's official website's investor relationship management column, WeChat public number, and video number, so as to enrich the channels of small- and medium-sized investors' access to information.

Key Performance

3 times Earnings Presentation

237 times Investor Communication

65 Online-Responses on the SSE E-Interaction

100% Online-Responses Rate on the SSE E-Interaction

Information Disclosure

In accordance with relevant laws and regulations and the relevant provisions of the *Articles of Association*, Jinhong Gas has formulated the *Management System for Information Disclosure Matters*, the *Management System for Informants of Insider Information*, the *Management System for Confidentiality of Information* and other relevant systems to strengthen the quality of information disclosure, ensure the truthfulness, accuracy, completeness and timely disclosure of information, and safeguard investors' right to know. At the same time, it attaches importance to the confidentiality of undisclosed information, and fosters employees' awareness of compliance and prevents insider trading by strengthening publicity and education and reinforcing daily management.

In accordance with the requirements of the regulators, Jinhong Gas discloses information such as periodic reports and interim announcements in a timely manner through the website of the SSE(www.sse.com.cn), the *China Securities News*, the *Securities Times* and the *Shanghai Securities News*, as well as releasing the latest information on Jinhong Gas's website and other platforms, so as to enable stakeholders to have a timely and comprehensive understanding of the contents of their concerns.

During the Reporting Period:

Jinhong Gas has effectively implemented and maintained accountability mechanisms for information disclosure:

4 periodic reports

87 interim announcements

Risk Management

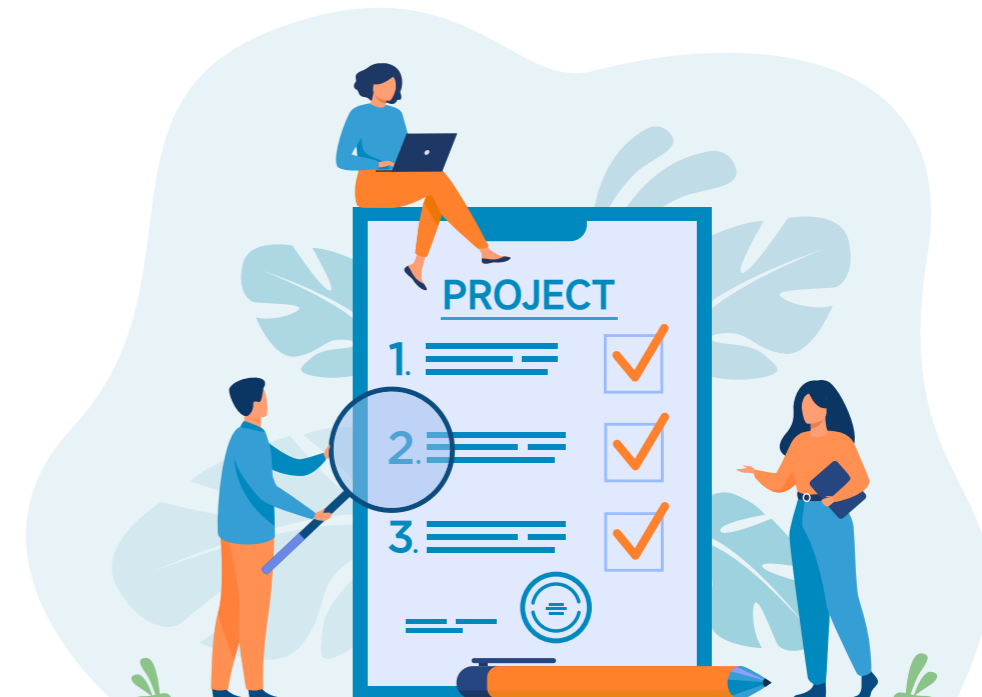
Legitimate Management

With the increasingly fierce market competition, the role of corporate internal control in improving the level of corporate governance and risk prevention capabilities and promoting the sustainable development of enterprises is becoming more and more important. Jinhong Gas continues to optimise the construction of the internal control and compliance system, and has established an effective and efficient internal constraint mechanism, focusing on maximising enterprise value and constantly reducing costs, improving efficiency and enhancing quality.

Jinhong Gas has established an internal control system based on the Group's organisational structure and operation mode, including corporate governance structure, business system, accounting system, etc., which Jinhong Gas, its subsidiaries and branches comply with. The Audit Committee is established under the Board of Directors, which is mainly responsible for the communication, supervision and verification of the Group's internal and external audits, and its standing organization is the Audit Department of Jinhong Gas, which is responsible for the management of internal control of the whole Group, including the discovery of defects in internal control and supervision of the improvement of the situation, and the independent supervision and evaluation of Jinhong Gas's financial revenues and expenditures as well as its economic activities, and reports its work to the Audit Committee on a regular basis.

During the reporting period, Jinhong Gas conducted a self-evaluation of the effectiveness of the internal control over itself and its subsidiaries and branches, etc. The total assets of the units included in the scope of consolidation accounted for 100% of the total assets of the Jinhong Gas's consolidated financial statements, and the revenue accounted for 100% of the total revenue of the Jinhong Gas's consolidated financial statements, and no significant deficiencies in the design and implementation of Jinhong Gas's internal control were found throughout the year.

At the same time, Jinhong Gas carries out internal audits on a regular basis, with a total of 43 audit projects completed during the reporting period, of which: regular audits are carried out at least once a year, and special audits and exit audits are carried out in accordance with actual needs.



Tax Management

In order to standardise the tax declaration procedures of the Group, ensure timely and accurate tax declarations and withholdings, and prevent tax risks, Jinhong Gas has formulated the *Tax and Fee Declaration Management System*, adheres to the principle of paying taxes in accordance with the law, conscientiously fulfills its tax obligations, strictly complies with the relevant tax policies of the countries or regions in which it operates. This supports the payment of all taxes lawfully, accurately and in a timely manner with true and complete tax-related information. Furthermore, the company has carried out the disclosure of tax information in accordance with the regulations, so as to ensure that it complied with the supervisory requirements of the tax authorities.

During the Reporting Period:

CNY **17,807.94** ten thousand in total taxes paid (excluding personal income tax), effectively contributing to the development of local economy.

Related Transaction

In respect of the management of connected transactions, Jinhong Gas has formulated the *Related Transaction Management System* in accordance with relevant laws and regulations in consideration of the actual situation, which clearly stipulates the determination and management of the price of connected transactions, decision-making management, voting procedures, disclosure of information, and execution of contracts, so as to safeguard the lawful interests of the shareholders and creditors, and to ensure that the connected transaction contracts entered into by the Group and its connected parties are in line with the principles of equality, voluntariness, equivalence, and mutual benefit.

Business Ethics

Anti-Corruption

Jinhong Gas strictly complies with the anti-corruption laws and regulations of China, the *United Nations Convention against Corruption* and the applicable anti-corruption and anti-bribery laws and regulations of other countries (regions) in which it operates, and continuously strengthens the construction of a culture of integrity in accordance with the provisions and commitments of the Group and its business partners on integrity and anti-corruption.

Jinhong Gas adheres the attitude of 'zero tolerance' towards corruption, placing anti-corruption as the highest priority in the construction of business ethics, constantly optimises the anti-corruption organisational structure, establishes an anti-corruption organisational structure led by the general manager and composed of the audit department, the heads of molecular companies or business divisions, the legal department, the finance department, etc., to improve the integrity system and perfect the supervision and reporting mechanism, and promotes the Group to operate in good faith.

Jinhong Gas has formulated the *Anti-fraud and Reporting System* in accordance with the requirements of relevant laws and regulations and in light of the actual situation, in order to regulate the professional behaviour of all employees of Jinhong Gas, establish a good ethos of integrity and diligence and dedication, and prevent the occurrence of acts detrimental to the interests of the Group and its shareholders.

Jinhong Gas has set up a special anti-corruption investigation team to investigate all reports, and to ensure that anti-corruption personnel do not and cannot have any interest in the cases they handle or their relatives, so that the source of the report is not known by the reported person or department. If it is necessary to access the information related to the complaint or report, it should be authorised by the General Manager and the accessing personnel must register the content, time and relevant information of the accessing personnel with the Audit Department.

Anti-Corruption Processing

Register

- ✔ Register and document all reports upon receipt of information.

Acceptance

- ✔ Analyse and evaluate the matter.
- ✔ Reply to the whistleblower after approval by the GM.

Investigation

- ✔ Form a special investigation team with relevant departmental managers to conduct the investigation.
- ✔ Engage external agencies to assist in the investigation as necessary.

Reporting

- ✔ Issue an investigation report, approved by the general manager in accordance with the relevant provisions of the Jinhong Gas to deal with.
- ✔ For violation of national laws of reporting matters, will be transferred to the judicial organs to deal with.

Jinhong Gas encourages employees to supervise each other's irregularities and disciplinary actions, and has set up a variety of public reporting channels to prevent the risk of corruption. The Audit Department is responsible for the establishment of professional ethics issues and fraud cases report phone and e-mail, and will report phone and e-mail in the Group's website announced to the public, the department is tasked with archiving the reports and materials related to the investigation and processing of fraud cases in a timely manner.

Reporting Channel

Report Tel: 0512-65767715-8110/8106

Report Email: jubao@jinhonggroup.com

Whistle-blower Protection

- ☑ Acceptance of the report or participate in the investigation of personnel to strictly protect the relevant information of the whistleblower, the specific content of the report, the relevant investigations are carried out without revealing the identity of the whistleblower. Unless the whistleblower agrees, in any case, not to disclose the whistleblower's name, contact details and other information.
- ☑ For violation of confidentiality or improper performance of duties of the staff, according to the situation and the consequences of serious treatment. Constitutes an offence, transferred to the judicial authorities.
- ☑ Any unit or individual shall not use any excuse to block, suppress the whistle-blower report, shall not take any way to retaliate against the whistle-blower. Retaliation against whistleblowers, once verified, in accordance with the relevant provisions of Jinhong to be dealt with seriously. Offences against the law, transferred to the judicial authorities in accordance with the law.

Key Performance

100% Employee anti-corruption training coverage

Fair Competition

Jinhong Gas is committed to building a fair and just corporate environment. In the future development of its business, the Group will strictly abide by the relevant laws and regulations and follow the provisions of the Competition Law, to ensure fair competition in the market and guaranteeing that all market participants enjoy equal opportunities.

Key Performance

During the reporting period, there were no lawsuits related to unfair competition, antitrust and antimonopoly.

Information Security Management

Information Security and Privacy

In the context of the society and the country's increasing concern about information security and data privacy, Jinhong Gas continues to improve its internal information security management system to ensure the security of employees and customers' information and data privacy in an all-round way.

Jinhong Gas attaches great importance to and coordinates the promotion of network security, privacy protection and information technology. The Group strictly adheres to relevant laws and regulations and has formulated management systems such as *the Network and Mail Information Security Management System*, and requires strict internal implementation of relevant systems, standardises the operation of the information security management system, ensures that no information security incident occurs, and effectively maintains our information security and customer privacy protection.

Key Performance

During the reporting period,
no information security-related incidents occurred in the Group.



Emergency Management for Information Security

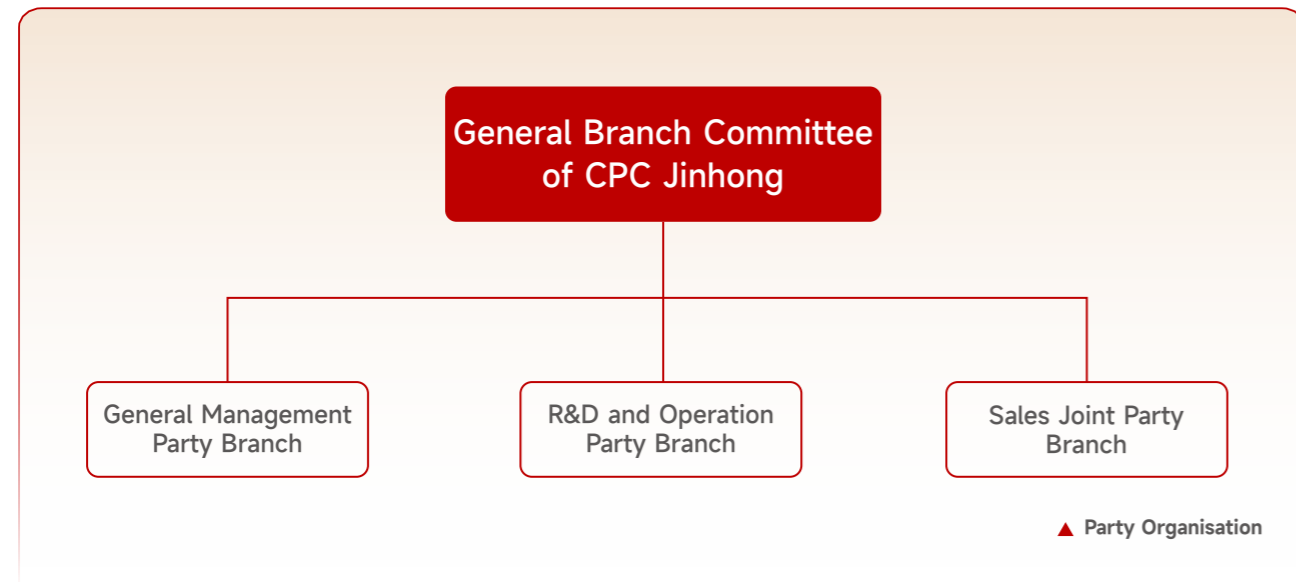
In order to effectively strengthen network security and information security prevention, to ensure network operation security and information security, combined with the actual situation, the Group has formulated the *Information Security Emergency Response Plan*, which makes it clear that the Information Security Emergency Response Leading Group is responsible for coordinating the work of information security emergency responses, with the aim of further enhancing the ability and level of preventing and controlling network and information security emergencies, and minimising or eliminating the hazards and impacts of network and information security emergencies.

The Group has established an Information System Emergency Response Leading Group, which follows the principle of "Who is in charge and who is responsible", establishes and improves the security responsibility system at all levels, coordinates the management mechanism and linkage mechanism, and is fully responsible for organising and coordinating the emergency response to information system emergencies throughout Jinhong. At the same time, the Group is committed to strengthening computer information network security publicity and education to raise information security awareness among all employees.

Guidance of Party Building

Party Organisation

Jinhong Gas adheres to the deep integration of party leadership and modern corporate governance, focuses on strengthening the top-level design, continuously deepens the theoretical research, and actively explores the practical applications to provide guidance for enterprises to deepen reform and development, industrial restructuring and upgrading, enhance the endogenous power, and promote the successful completion of various development tasks.



Party Building Activity

The party branch of Jinhong Gas insists on the system of "the first issue", earnestly implements the system of "three meetings and one lesson", holds special theme party day activities in conjunction with important nodes, holds the national flag-raising ceremony of National Day, organises party members to visit the red bases of Jiaying South Lake, Feng Menglong Memorial Hall, etc., constantly improves the sense of responsibility and mission of the party members and workers, gives full play to the role of the party organisation's battling fortress and party members' vanguard role as an exemplary example, sets up party members' responsibility area and party members' demonstration post, etc., and encourages the party members to compete for the first and create excellence, so as to realise the deep fusion and benign interaction of the party building work and the development of the enterprise.



Jinhong Gas's party branch actively explores "double cultivation" mode of party members and key personnel, namely "to cultivate party members into backbone, backbone cultivation into party members," through the innovative implementation of the "two-way cultivation" mechanism, plays the role of the "double drive" to promote the party members and the backbone of the realization of mutual learning and mutual promotion, mutual assistance and win-win situation, to achieve the party, business and promote the enhancement of the powerful driving force to promote the high-quality development of the enterprise.



Jinhong Gas built and opened the first enterprise party group service centre in HuangDai town in 2019, with the goal of highlighting the party building service function and close relationship between the party and Jinhong, to create a comprehensive service body integrating enterprise culture, product service, party building brand display and party members and workers' activities, and to become a house of faith for Jinhong Gas's party organization to educate party members and serve party members. In 2021, Jinhong Gas Party Group Service Centre was selected as the SuZhou "Party building visit demonstration point".



▲ Party Service Centre

Deep learning and understanding of the 20th Congress, the practice of creating a brand. Jinhong Gas is committed to building "Promote Righteousness" party building brand, through "tamping a party building foundation, strengthening the four leading", and striving to achieve strong branch, strong development, strong performance.



Party Honours



▲ Suzhou "Pioneer Party Organisation of Non-public Enterprises"



▲ Huang Dai Township "Pioneer Grassroots Party Organisations"



▲ In 2020, Jinhong Gas was awarded as the demonstration unit of "Three Creation and Two Enhancement" activities of Party building with labour building in non-public enterprises in Jiangsu Province.



02

Environment, the important part of building ecological civilization

While expanding its business, Jinhong Gas actively explores effective ways to achieve carbon neutrality. Through unremitting efforts, Jinhong Gas has been recognized as a “National Green Factory” green factory. In future environmental work, we hope to collaborate with more entrepreneurs who are concerned about environmental changes, in jointly creating a better world.



- Environmental Management
- Energy Management
- Environmental Impact Management
- Ecological Conservation

Environmental Management

Environmental Management System

Jinhong Gas abides by the laws and regulations and relevant provisions such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, and has formulated relevant systems combined with the actual situation, and has obtained the ISO14001 environmental management system certification.

In March 2023, the Ministry of Industry and Information Technology of the People's Republic of China announced the 2022 Green Manufacturing List, and Jinhong Gas was awarded the title of "National Green Factory".



▲ ISO14001 Environmental Management System Certification

Key Performance

During the Reporting Period

CNY **333.70** ten thousand total environmental protection investment

Environmental Management Policy and Target

To establish Jinhong Gas's goals and direction in environmental and occupational health and safety management, we have formulated the following environmental and occupational health and safety management policy: **"Safety first, prevention-oriented; Improving the environment, protecting health; Comprehensive governance, continuous improvement; Abiding by regulations, comprehensive promotion."** Based on actual business situation, Jinhong Gas has also set the following environmental targets.

- ☑ 100% compliant discharge of wastewater, waste gas, dust and noise;
- ☑ 0 chemical spillage incidents;
- ☑ 100% compliance disposal of solid waste;
- ☑ 0 incidents of fire and explosion.

During the Reporting Period:

Jinhong Gas's environmental targets were reached and there were no major pollution incidents.

Environmental Risk Management

Jinhong Gas has compiled documents such as the *Risk and Opportunity Identification and Evaluation Management Procedure* and the *Emergency Response Plan for Environmental Emergencies*. Based on the requirements of the management system, Jinhong Gas regularly identifies and evaluates various environmental factors involved in its production and business activities, and takes corresponding countermeasures.

Jinhong Gas regularly carries out hidden danger inspections, organizes self-examination and self-correction, and applies the principle of "Infer other things from one fact" in terms of the scope and content of inspections. The inspections are included in Jinhong Gas's hidden danger rectification tracking and supervision system, and closed-loop rectification is required within a set deadline.

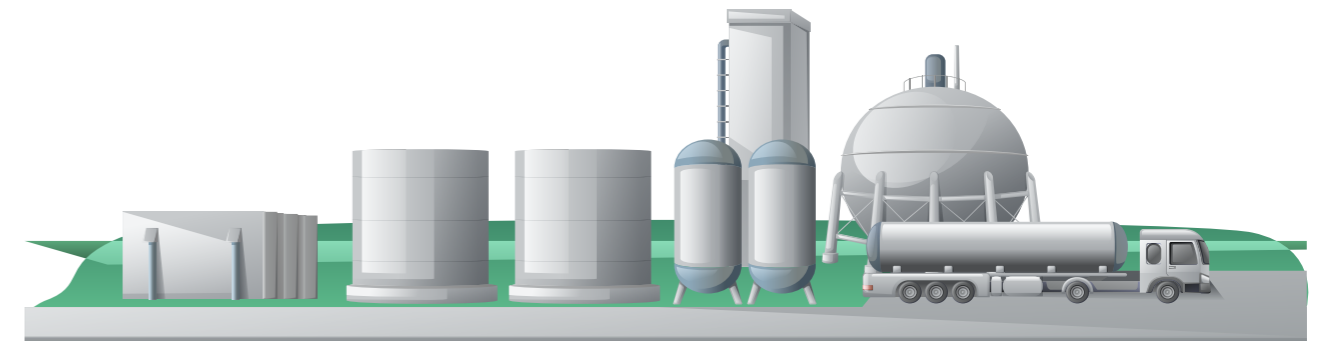
Environmental Culture Building

Up to the end of the reporting period, Jinhong Gas has organised a number of environmentally-themed trainings and activities for our employees, such as skills related to emergency response, training on solid waste safety and control, and risk identification and evaluation of risk management (hazardous sources). These trainings have effectively raised our employees' environmental awareness and deepened their overall understanding of the environmental management system.

Energy Management

Energy Management System

We are committed to reducing the consumption of energy resources and improving the efficiency of energy use in its operations. In accordance with the national energy policy guidelines, we have developed the *Energy Management Manual* and the *Energy Management System*, which cover aspects such as management objectives, scope of management, the organizational structure and responsibilities of energy management, as well as implementation procedures. This system applies to all departments involved in the production, supply, and use of energy within the entire Group.



Energy Efficiency

We focus on low-carbon operations, adopting the energy policy of "Low consumption, high efficiency, energy conservation and emission reduction, striving for profitability. Standardized operation, technological innovation, pursuing excellence!" Our energy management system has been certified to comply with the requirements of the ISO 50001 Energy Management System Certification.



▲ ISO 50001 Energy Management System Certification

Energy-Saving Measures of Jinhong Gas

- ☑ Photovoltaic Power Generation
- ☑ Water Recycling
- ☑ Energy-saving Lighting
- ☑ Utilization of Renewable Resources
- ☑ Energy-saving Retrofit of Equipment
- ☑ Application of Insulation Materials
- ☑ Application of Thermal Insulation Materials
- ☑ Recovery and Utilization of Waste Heat
- ☑ Collection and Analysis of Energy Data
- ☑ Cultivation of Employees' Awareness of Energy Conservation

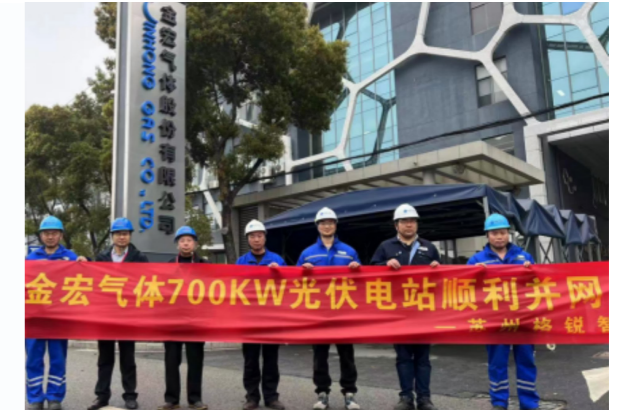
Jinhong Gas's Energy Usage

Type	Unit	Value
Comprehensive Consumption Intensity	Tons of standard coal /CNY million	7.42
LNG Consumption Intensity	Tons/CNY million	0.01
Gasoline Consumption Intensity	Tons/CNY million	0.01
Diesel consumption intensity	Tons/CNY million	1.74
Consumption intensity of purchased electricity	kWh/CNY million	38,845.37
Consumption intensity of purchased heat	GJ/CNY million	2.01

Note: Energy Consumption Intensity = Energy Consumption / Annual Revenue.

Jinhong Gas has strengthened emission reduction efforts in all aspects and actively adjusted the Group's energy structure. During the reporting period, the total distributed photovoltaic power generation has reached 461,742.00 kWh.

Jinhong Gas successfully connected its photovoltaic power station to the grid in 2023, increasing the diversity of energy supply, reducing dependence on fossil energy, helping to reduce carbon emissions and environmental pollution, and responding to the national policy of energy conservation and emission reduction.



▲ Photovoltaic Power Station Successfully Connected to the Grid

Climate Change

Carbon Management

As a comprehensive gas service provider offering one-stop gas supply solutions for customers, including various special gases, bulk gases, and natural gases, we take the national climate goals as guidance and integrates low-carbon development activities with the strategies for low-carbon social and economic development. We have established multiple exhaust recovery projects across the country to recover gases such as hydrogen, carbon dioxide, and nitrous oxide. By utilizing these recovered greenhouse gases in different fields, we aim to create a virtuous cycle of greenhouse gas recycling, thus contributing to the goals of carbon peaking and carbon neutrality.

Direct Emission Reduction Measures

Through technological innovation, Jinhong Gas has reduced direct greenhouse gas emissions in the production process and industrial chain.

Renewable Electricity

Jinhong Gas's photovoltaic power station has successfully been connected to the grid, reducing its reliance on traditional energy sources to a certain extent. This not only saves renewable electrical energy but also reduces carbon emissions.

Emission Reduction Policy Concerns

Jinhong Gas's relevant departments are closely monitoring the latest laws and regulations, and are actively taking various energy-saving measures to meet the requirements of the energy-saving, emission reduction and green transformation policies.

Carbon Capture Technology

We are deeply promoting the investment and development of carbon capture and utilization projects.

Jinhong GHG Emissions

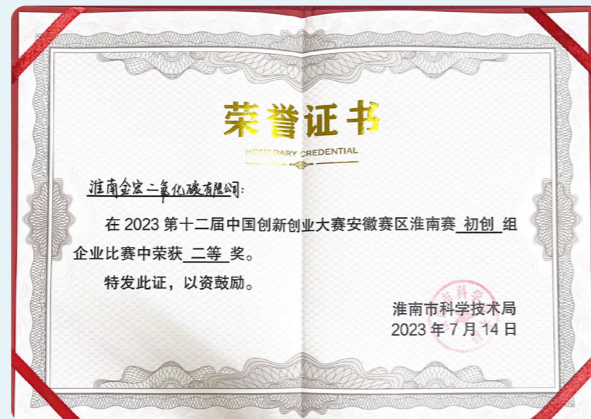
Type	Unit	Value
GHG Emission Intensity (Scope 1 and Scope 2)	tCO ₂ e/CNY million	27.77
GHG Emission Intensity (Scope 1)	tCO ₂ e/CNY million	5.55
GHG Emission Intensity (Scope 2)	tCO ₂ e/CNY million	22.37
Renewable Energy Usage	tCO ₂ e	384.17

Note: GHG Emission Intensity = GHG Emissions / Annual Revenue.

Huainan Jinhong's Carbon Capture and Comprehensive Utilization Project

Huainan Jinhong's Carbon Capture and Comprehensive Utilization Project was officially topped out in June 2023. The project, invested and constructed by Huainan Jinhong Carbon Dioxide Co., Ltd., won the second prize in the Huainan competition of the 12th China Innovation and Entrepreneurship Competition in Anhui Province in 2023.

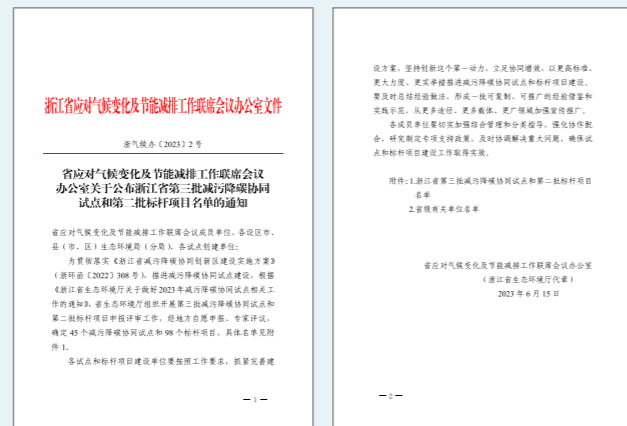
The carbon capture and comprehensive utilization project can effectively promote the commercial utilization of CCUS (Carbon Capture, Utilization and Storage), facilitate the establishment of a sound carbon asset trading system, thereby providing a more favorable development space for the domestic promotion and application of CCUS, and providing strong technical support for achieving the "Carbon Peaking and Carbon Neutrality" goals.



Jiaxing Jinhong's Carbon Capture Construction Project

In June 2023, Jiaxing Jinhong's Carbon Capture Construction Project commenced its trial production. The project, invested and constructed by Jinhong Gas (Jiaxing) Co., Ltd., has been selected as the third batch of pollution reduction and carbon emission reduction pilot projects and the second batch of benchmark projects in Zhejiang Province.

By utilizing upstream exhaust gas recovery and adopting advanced purification technology, the project aims to reduce emissions, minimize environmental impact, and achieve the reuse of carbon dioxide, thereby enhancing resource utilization efficiency.



Coping with Extreme Weather

Climate change is full of uncertainty and complexity, and the extreme weather it triggers, such as heavy rainfall and flooding, low temperatures and freezing temperatures, may damage factories, equipment and office buildings, resulting in the loss of Jinhong Gas's assets; at the same time, it may also indirectly impede Jinhong Gas's stable production due to the effects of damage to equipment, the inability of employees to perform their normal work, and the disruption of transport.

Routine Precautionary	Emergency Response
<ul style="list-style-type: none"> Arrange daily reminders of meteorological conditions. Regular inspection and maintenance of production facilities and equipment. Structural reinforcement of important production facilities and buildings to enhance their ability to resist wind, rain and earthquakes. Equip backup generators or other reliable energy supply equipment to cope with possible power outages. Regularly inspect and clean the drainage system to ensure that it is unobstructed to prevent waterlogging and flooding. Establish an emergency liaison mechanism. Arrange inspections to promptly notify abnormal situations and remove potential safety hazards. 	<ul style="list-style-type: none"> Set up an emergency command team to organise and coordinate the response work. Formulate an emergency plan and clarify the duties of each department and personnel. Reserve emergency supplies in advance, such as sandbags, tarpaulins, standby generators, etc. In case of extreme weather, stop dangerous operations in time to ensure personnel safety. Organise evacuation of staff to safe areas if necessary. Clean up snow and water in time and repair damaged facilities. Assess damage and resume production. Summarise and improve preventive measures.

Environmental Impact Management

Water Resource Management

Water Conservation

Jinhong Gas attaches great importance to water resource management, and carries out irregular maintenance and repair of water supply pipes, and has professional guidance and supervision of water use for employees.



▲ Water Conservation Slogan in Office Area

According to the Notice of the Provincial Housing and Urban-Rural Development Department on the Announcement of the Evaluation Results of Water-saving Enterprises (Units) and Water-saving Districts in Jiangsu Province (No. 548 of Su Jian letter Cheng [2019]), Jinhong Gas was awarded the title of "Water-saving Enterprises in Jiangsu Province".

Key Performance

During the reporting period, Jinhong Gas's water intensity was **1,288.41** t/CNY million.

Note: Water intensity = Total water consumption / Annual Revenue.

Wastewater Treatment

In accordance with the Law of the People's Republic of China on the Prevention and Control of Water Pollution and Wastewater quality standards for discharge to municipal sewers (GB8978-1996) and relevant laws and regulations, Jinhong Gas strengthens the control of water pollutant emissions in the production process and carries out the reuse of resources, so as to promote long-term development.

Process	Measures	Key Control Indicators
Source Control	Efforts are being made to reduce water consumption and reduce pollutant emissions by optimising production processes and adopting cleaner production technologies.	Suspended Solids
Monitoring & Testing	Establish a comprehensive monitoring system to regularly test the water quality parameters of wastewater.	Chemical Oxygen Demand
Wastewater Treatment Facilities	Wastewater treatment facilities are equipped to ensure that wastewater has been treated before discharge. These facilities use physical, chemical and biological treatment methods to meet discharge standards.	Five-day Biochemical Oxygen Demand
		Ammonia
		Total Phosphorus
		Total Nitrogen
		Animal and Plant Oil

Key Performance

During the reporting period, Jinhong Gas's wastewater discharge intensity was **20.36** t/CNY million

Our wastewater recycling rate is **14.77%**.

Note: Wastewater Intensity = Wastewater Emissions / Annual Revenue.

Exhaust Gas Pollution Control Management

From the manufacturing, Jinhong Gas strictly follows the requirements of engineering design specifications in the design and construction of air pollutant collection devices and the application of exhaust gas collection technology to reduce the emission of air pollutant. Jinhong Gas regularly commissions external professional organisations to carry out exhaust gas testing to ensure all air emissions meet the requirements of the *Integrated emission standard of air pollutants* (GB16297-1996) and the *Emission standards for odor pollutants* (GB14554-1993).

Jinhong Exhaust Gas Emissions		
Type	Unit	Value
Exhaust Gas Emission Intensity	Ten thousand m ³ /CNY million	5.72
Emissions of Exhaust Gas Pollutants		
Particulate Matter Emission Intensity	Tons/CNY million	2.29x10 ⁻⁴
SO ₂ Emission Intensity	Tons/CNY million	4.45x10 ⁻⁴
NOx Emission Intensity	Tons/CNY million	1.35x10 ⁻⁴
VOCs Emission Intensity	Tons/CNY million	4.12x10 ⁻⁴

Note: Emission Intensity = Emissions / Annual Revenue.

Noise Regulation

Noise generated in the production process mainly comes from the production line and other equipment, for this reason, Jinhong Gas takes noise control as an important part of the production process. In the selection of equipment, priority is given to the selection of low-noise equipment, and at the same time, vibration damping measures are strengthened and mufflers are installed to reduce the noise; at the same time, Jinhong Gas has installed mufflers in the noise sources of each process, constructed acoustic barriers in part of the factory boundaries, and carried out acoustic isolation and acoustic absorption wrapping treatment for the pipelines with a large noise value.

Waste Handling

Jinhong Gas strictly adheres to relevant national and local regulations and standards, such as the *Standard for pollution control on the non-hazardous industrial solid waste storage and landfill* and the *Standard for pollution control on hazardous waste storage*. It classifies and collects waste according to different types. For hazardous waste, Jinhong Gas establishes dedicated storage facilities and disposes of them in accordance with relevant regulations. For general industrial waste, regular cleanup and disposal are conducted. At the same time, regular supervision and inspections are carried out to ensure the effective implementation of waste management measures.

Jinhong Solid Waste Disposal		
Type	Unit	Value
Non-hazardous Industrial Solid Waste		
Intensity of non-hazardous industrial solid waste	Tons/CNY million	0.002
Compliant disposal rate of non-hazardous industrial solid waste	%	100
Hazardous Industrial Solid Waste		
Intensity of hazardous industrial solid waste	Tons/CNY million	0.017
Compliant disposal rate of hazardous industrial solid waste	%	100

Note: Intensity = Capacity / Annual Revenue.

Material Recycling

Jinhong Gas attaches importance to the reuse of gas packages. For packages that can be used again, they will be recycled after inspection, maintenance, cleaning, testing, etc., to reduce the generation of waste; for those packages that can not be recycled, they will be handed over to the professional treatment organisations to be disposed of or recovered in a safe manner.

The reuse of packaging not only maximises the value of materials and reduces operating costs, but also makes a positive contribution to the cause of environmental protection, demonstrating the determination and practical action in sustainable development of Jinhong Gas.

Ecological Conservation

Biodiversity Conservation

Jinhong Gas strictly observes national environmental laws and standards to protect the environment and prevent damage to marine and terrestrial ecosystems. Jinhong Gas ensures that all capital investment projects take measures to minimise negative impacts on the environment, and it pays attention to the protection of the ecosystem while rationally utilising natural resources.

During the Reporting Period:

Jinhong Gas did not have any production bases or operations located within, near or outside nature reserves in areas rich in biodiversity. None of our production and operation activities, products and services had a significant impact on biodiversity.

Garden Factory

Jinhong Gas is committed to creating a garden-like factory that integrates environmental protection, aesthetics, and efficiency. It not only focuses on updating production equipment and upgrading technology, but also takes ecological harmony as its core philosophy. It comprehensively considers the importance of environmental protection and ecological balance, and through scientific planning and design, rationally arranges production, office, and living areas, making the entire factory green and environmentally friendly. This creates a comfortable and harmonious workplace for employees, and establishes a brand-new model for the green and sustainable development of the industry.



▲ Greening Construction



▲ Flower-lined Path

03

Excellence, the ultimate pursuit of quality development

Focusing on customer needs, providing innovative and quality products to society is an important social responsibility for us as an enterprise. We continue to innovate and adhere to quality, leveraging relying on leading technological achievements to provide high-quality products and solutions as well as excellent services, thus aiming to create even greater value for our customers.



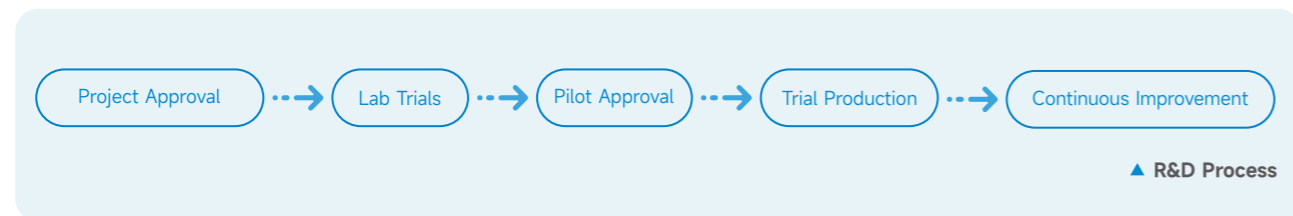
- R&D Innovation and IP Management
- Quality Management
- Intelligent Manufacturing
- Safe Production
- Customer Service

R&D Innovation and IP Management

R&D System and Process

We take a vertical and horizontal development strategy as foundation, enhancing team cohesion and fostering team collaboration. Guided by new technologies and products, we accelerate progress and innovation to ensure our development. We attach great importance to enhancing research and development capabilities. In order to further standardize our R&D processes, we have established a series of scientific and technological innovation management systems such as the *Small-scale Experimental Acceptance Management System for the Technology Research and Development Center*, the *Medium-scale Experimental Acceptance Management System for the Technology Research and Development Center* and the *Design and Development Control Procedures*. These systems have formed a complete R&D process, laying a solid foundation for us to achieve a sustainable and high-quality development.

Jinhong Gas closely monitors the progress of projects and actively promotes the R&D work. Our long-term plan includes the development of new products and technologies targeting electronic special gases, precursors, carbon capture&utilization, hydrogen energy, and other objectives.



Incentives for Innovation

Jinhong Gas is committed to promoting technological innovation, actively building a professional research and development team by continuously enhancing our scientific and technological conditions, and injecting continuous innovative vitality into our development. To stimulate employees' enthusiasm for innovation, we are continuing to increase the investment in R&D, providing a solid material foundation and technical support for technological innovation.

The Group has established a series of incentive measures including the *Innovative Project Incentive Program of Jinhong Gas*, the *Management Measures for the Evaluation of Professional Titles and Vocational Skills of Jinhong Gas Employees* and the *Intellectual Property and Standards Reward Measures*. These measures aim to encourage employees to actively engage in R&D work as well as enhance the Group's independent innovation capabilities.

Key Performance

CNY **8,630.14** ten thousand R&D investment in 2023

377 employees of R&D team

3.56% proportion of R&D Investment in Operating Income

18 employees with master's degree or above in R&D team

Results in Science and Innovation

Jinhong Gas has obtained honorary qualifications such as the National SDRI (Specialized, Refinement, Differential, and Innovation) "Little Giant" enterprise, National Intellectual Property Demonstration Enterprise, and Top 100 Innovative Private Enterprises in Suzhou, reflecting the Group's excellent performance in technological innovation, intellectual property protection and industry status. Jinhong Gas also has a National Enterprise Technology Center, a National Post-Doctoral Research Workstation, a CNAS-accredited laboratory, and the Jiangsu High-Purity Specialty Gas Engineering Center, further demonstrating our strength in scientific research and technological innovation.



▲ CNAS Laboratory Accreditation Certificate



▲ National Enterprise Technology Center



▲ National SDRI (Specialized, Refinement, Differential, and Innovation) "Little Giant" enterprise



▲ National Post-Doctoral Research Workstation



▲ Jiangsu High-Purity Specialty Gas Engineering Center



▲ High-tech Enterprise Certification



▲ China Gas Industry Association Innovation Unit Award



▲ Innovative Product Award



▲ Top 100 Innovative Private Enterprises in Suzhou

In terms of Industry-University-Research cooperation, Jinhong Gas has established long-term and stable cooperation with multiple universities and research institutions, and achieved breakthroughs in technological research and innovation. The Group has joint hands with Dalian University of Science and Technology, East China Normal University, Soochow University, Suzhou University of Science and Technology, Jiangsu Provincial Research Institute of Industrial Technology and other units to build a high-level "Industry-University-Research" co-operation platform, which provides strong support for our development and technological innovation.



▲ Demonstration Enterprises of China Industry-University-Research Institute Cooperation Innovation



IP Management

Jinhong Gas strictly abides by laws and regulations such as the *Detailed Rules for the Implementation of the Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, and has established a series of systems including the *Patent Management Procedure*, the *Intellectual Property Risk Management Procedure* and the *Trademark Management Procedure*. While protecting our intellectual property rights, we also strengthen employees' awareness to protect intellectual property rights.

During the reporting period, we has filed 61 new patent applications, including 31 invention patents and 30 utility model patents. We also received authorization for 62 patents, including 24 invention patents. Additionally, we have obtained Intellectual Property Management System Certification and been awarded as the National Intellectual Property Demonstration Enterprise.

By the end of the reporting period, Jinhong Gas has actively promoted and implemented a series of important intellectual property projects:

Type	Project Title
Jiangsu Province Intellectual Property Strategy Promotion Programme Project	Enterprise Intellectual Property Strategy Promotion Programme
Suzhou High-value Patent Cultivation Programme	High-value Patent Cultivation Programme for the Preparation and Application of High-purity Hydrogen Gas
Suzhou Enterprises Intellectual Property Peak Action Plan Project	Intellectual Property Peak Action Plan for Enterprises in the Field of High-end New Materials and Special Gas Materials
Suzhou Trademark and Brand Strategy Promotion Plan Project	Promotion Plan of Trademark and Brand Strategy of Jinhong Gas Co., Ltd.
Suzhou Major Patent Technology Promotion and Application Plan	Promotion and Application of Cylinder Handling Technology for Electronic Grade Ultra-High Purity Gases



▲ ASTRI Suzhou Xiangcheng Technology Exchange Meeting



▲ 2023 International Scientist Summit in Suzhou



▲ 2023 Workshop on Silicon Based Gases for Integrated Circuits



▲ The 12th China Innovation and Entrepreneurship Competition Anhui Huainan Competition



▲ Intellectual Property Management System Certification



▲ National Intellectual Property Demonstration Enterprise



▲ Intellectual Property Conformity Review



▲ Suzhou High Value Patent Project Acceptance Meeting



▲ Jiangsu Enterprise Intellectual Property Strategy Promotion Plan Project Demonstration Site Meeting

By the end of the Reporting Period:

332 authorised patents Jinhong Gas has cumulatively obtained

85 granted patents for inventions Jinhong Gas has cumulatively obtained



Quality Management

Quality Management System

Jinhong Gas always adheres to the quality policy of "Standardized management, Quality first; Customer first, Continuous improvement", and has established a set of systematic and standardised management systems, continuously pushes forward the construction of the quality management system. The Group has formulated the *Monitoring and Measuring Control Procedure*, *BCM Business Continuity Management Procedure*, *Corrective and Preventive Measures Procedure* and other management systems to clarify the quality requirements for product production and the acceptance criteria for key processes. At the same time, the Group's quality management system also focuses on continuous improvement and innovation, continuously improve product quality and service level to promote the sustainable development of the Group.

During the Reporting Period:

The Group has passed ISO9001 quality management system certification and ISO22000 food safety management system certification.



▲ ISO 9001 Quality Management System Certification

▲ ISO 22000 Food Safety Management System Certification

Jinhong Gas is continuously strengthening the performance excellence model, and has obtained the Nomination Award of Jiangsu Governor's Quality Award, Suzhou Mayor's Quality Award and other honours. From product R&D to manufacturing, and then to after-sales service, we strictly control the quality standards in order to achieve the sustainable development and excellence in achievement.



▲ Nomination Award of Jiangsu Governor's Quality Award

Quality Risk Control

Jinhong Gas has formulated the *Control Procedures for Responding to Risks and Opportunities* and the *Procedures for Analysing Potential Failure Modes and Consequences of Processes* to effectively identify, analyse and respond to the potential quality improvement opportunities. We have also formulated systems such as the *Control Procedures for Nonconforming Products* and the *Product Withdrawal and Recall System*.

By the end of the Reporting Period:

We had not experienced any product recalls.

Key Performance

During the reporting period, Jinhong Gas has conducted **236** internal quality audits

Quality-Specific Training

The Group attaches great importance to the construction of quality culture, and improves the quality awareness and skill level of the staff through the implementation of quality training and education activities. Employees integrate the quality concept into every work process in the process of continuous learning and practice. At the same time, through the sharing of quality management experience and best practices, we promote the dissemination and development of quality culture, ensuring that all employees are dedicated to continually improving the quality of our products and services.



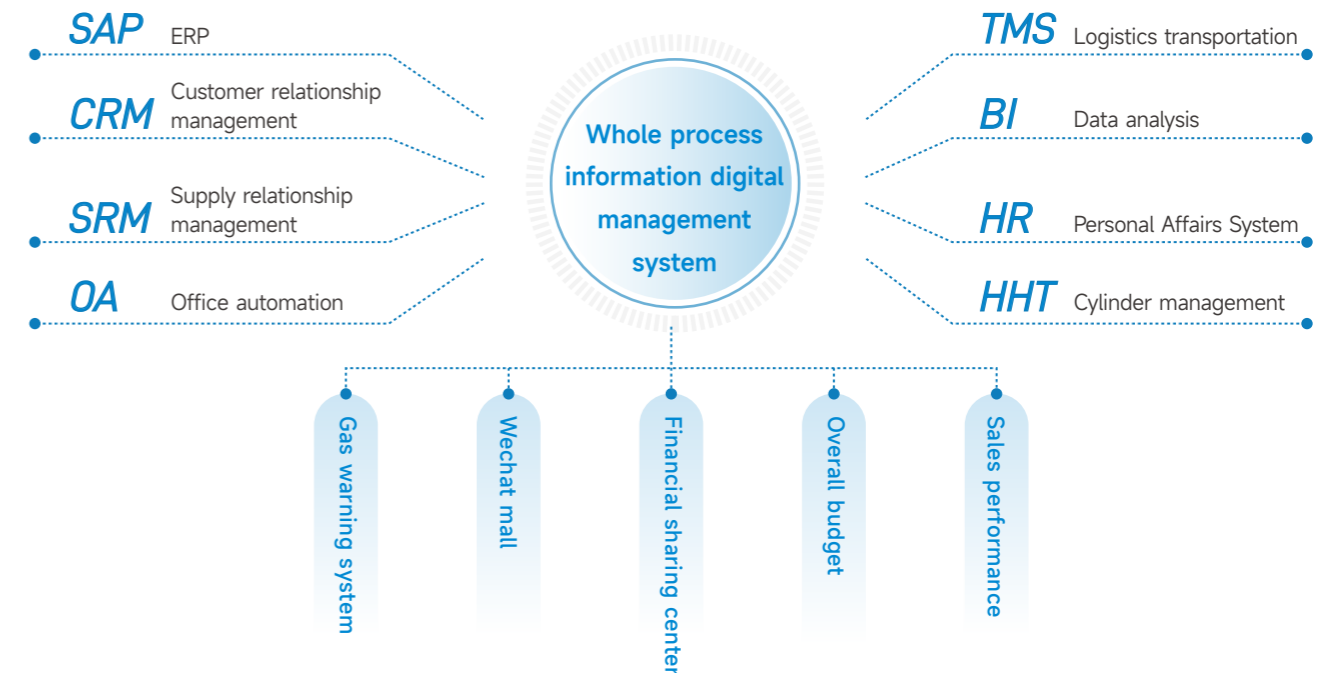
▲ SPC-Specific Training



▲ ISO 9001 Internal Audit Skills Competence Improvement Training

Intelligent Manufacturing

In September 2022, the Ministry of Industry and Information Technology, the National Development and Reform Commission, and the General Office of the Ministry of Finance jointly released the *Implementation Plan for Intelligent Manufacturing Pilot Demonstration Action*. This plan aims to foster the high-quality development of intelligent manufacturing by selecting exemplary scenarios, establishing demonstration factories, and establishing pioneering positions in various industries. Aligning with these objectives, Jinhong Gas is committed to promoting information-based and intelligent production and management. We have centralized various systems such as customer relationship management, production information systems, process optimization, equipment optimization, quality management, HHT warehouse cylinder management, TMS logistics intelligent scheduling, storage tank level monitoring, and safety management onto a single platform, which allows for the unified management and sharing of equipment, process, safety, and environmental information, thereby ensuring the safe, stable, efficient, and cost-effective operation of our enterprise.



▲ Jinhong Gas Digital Operation Center

"Embracing the digital revolution and spearheading the intelligent future" is an inevitable path for enterprises striving for high-quality development. The Group starts with a deep integration of intelligence, automation, and information technology. We comprehensively ensure key aspects such as personnel organization, project construction, and capital allocation, thereby effectively driving the overall transformation and upgrading of our information technology infrastructure. In the past three years, our outstanding performance has earned us the prestigious titles of the National Intelligent Manufacturing Demonstration Factory and National Intelligent Manufacturing Excellent Scene. During the reporting period, Jinhong Gas was further recognized as the Five-Star Cloud Enterprise in Jiangsu Province.

In the future, the Group will firmly adhere to the path of digital transformation and development, deeply explore and leverage our informational potential, ultimately enhance our operational efficiency.

Intelligent Logistics

Given the Group's extensive range of industrial gas products and the diverse demands of our clients, we has implemented the TMS logistics intelligent scheduling platform to optimize service quality and resource allocation efficiency. The platform seamlessly integrates human and locomotive equipment, ensuring the safety of vehicles during transportation through GPS positioning and a comprehensive vehicle monitoring system. Additionally, it allows for remote monitoring of driver status, ensuring adherence to management standards as well as establishing a secure and intelligent logistics platform.

Concurrently, the TMS logistics intelligent scheduling platform leverages the full capabilities of information technology and the Internet of Things to monitor tank trucks. This transition from static to dynamic management optimizes vehicle task allocation, significantly enhances distribution efficiency and reduces transportation costs.



Safe Production

Production Safety Management

Jinhong Gas adheres to the policy of "Safety first, Prevention foremost, and Comprehensive management," standardizing our production safety management in accordance with relevant laws and regulations. We have compiled the *Safety Management System Guidelines* to ensure that all safety-related work is governed by clear rules and thoroughly documented, thus safeguarding our production safety. Notably, we has successfully completed the second-level safety production standardization certification review in 2023.

Occupational Health and Safety objectives

- ✓ Major casualty incidents: **0**
- ✓ Occupational disease incidence: **0%**
- ✓ Fire, explosion accident: **0**



Jinhong Gas has established the Safety-Production Committee and has compiled the *Safety Production Responsibility Manual*. Regular meetings and assessments are organized to establish the comprehensive responsibility system and the reward & punishment mechanism, which ensures that safety responsibilities are implemented across every aspect of the operation, encompassing every link, position, and employee. By strictly enforcing the safety system, we provide a robust safety guarantee for our sustainable and stable development.

Key Performance

- CNY **3,240.87** ten thousand security investment
- 0** annual production accidents
- 0** deaths on duty

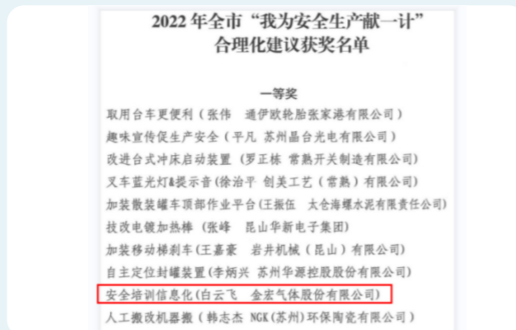
Security Risk Control

Jinhong Gas holds security risk control and hidden danger investigation in high esteem. Adhering to the "Prevention-Oriented" principle, we have established a robust risk assessment and hidden danger investigation mechanism. Through regular risk assessments and hazard inspections, the Group can ensure the production safety and the safety of employees' lives & property.

Furthermore, the Suzhou Federation of Trade Unions has organized the "I Offer a Plan for Safe Production" rationalization proposal activity, in which the Group's employee emerged victorious, securing the first prize for their innovative "Safety Training Information" proposal. In 2022, the Group's "Real-time Monitoring and Identification of Security Risks" scenario has been recognized as the Outstanding Example in Intelligent Manufacturing. Additionally, during the reporting period, Jinhong Gas has proudly received the accolade of being one of the top ten fire safety management units in Xiangcheng District.



▲ Xiangcheng District Top Ten Fire Safety Management Units



▲ In 2022, the City's "I offer a plan for safe production" Rationalization Proposal Award List



Safety First Aid Class

In March 2023, Jinhong Gas has organized a comprehensive training session on "Emergency Rescue Knowledge for Enhanced Awareness". This hands-on training emphasized techniques such as "cardiopulmonary resuscitation" and other essential first aid skills. The objective was to broaden the comprehension and proficiency in first aid among a diverse audience, ensuring that more individuals are equipped with the knowledge and skills necessary to respond in emergency situations. Concurrently, this training aimed to heighten the emergency preparedness of all employees, enabling them to effectively handle emergencies and accidental injuries. By mastering fundamental first aid knowledge and practical skills, employees are now better prepared to uphold Jinhong's core values of "safety" through practical actions.



Fire Evacuation Emergency Drill

In November 2023, with the aim of efficiently fulfilling the responsibility of fire prevention, sounding the alarm, and embodying the theme of Fire Safety Publicity Month, "Prioritizing Prevention, Valuing Life First," the Ministry of Environmental Safety organized a fire evacuation emergency drill for all employees in the operation building. This exercise aimed to enhance employees' emergency evacuation and escape capabilities, ensuring their safety in the event of a fire emergency.



Related Party Security Management

Jinhong Gas places emphasis on the safety management of relevant parties. We have formulated the *Contractor and Supplier Safety Management System* which includes measures such as identifying and assessing relevant parties, signing safety agreements, conducting safety training and communication, and on-site safety management. These measures ensure that relevant parties understand and comply with the company's safety policies, jointly creating a safe working environment.

Safety Culture Construction

As safety is one of our core values, the Group pays attention to the construction of safety culture, by emphasizing the safety concept, providing safety training, establishing safety system, encouraging safety communication, creating a safety environment and other measures, vigorously cultivate the safety awareness of employees, comprehensively improving the safety skills of our employees. In doing so, safety has become everyone's common responsibility, which contributes to the strong safety culture atmosphere within the company.

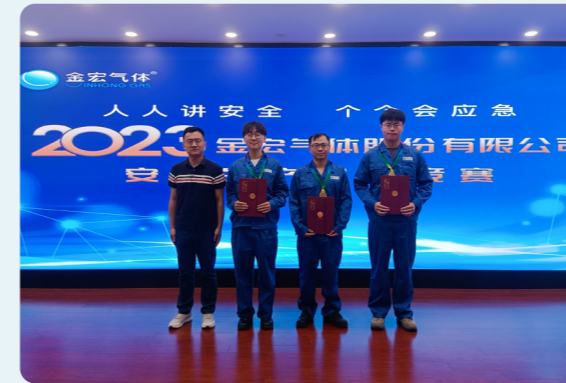
Safe Production Month

In June 2023, the Group hosted the launch ceremony of the "Safety Production Month," centered on the theme "Everyone Speaks Safety, Everyone Responds to Emergencies." Following this, a series of specialized activities were meticulously organized, including public awareness campaigns, educational and training sessions, safety production knowledge competitions, skills contests, outstanding hidden danger management selections, and emergency drills. These endeavors aim to further enhance the safety awareness and proficiency of all employees, ensuring that they perform their duties with utmost safety and responsibility.



Safety Production Knowledge Contest

In June 2023, with the aim of vigorously disseminating knowledge about safety production and adhering to the safety month theme of "Everyone Prepared for Emergencies, Everyone attaches importance to safety," the Group has organized a production safety knowledge competition. This endeavor aimed to effectively enhance the emergency awareness and disaster prevention and mitigation capabilities of the entire organization, ultimately safeguarding the safety of our employees' lives and property. A total of 26 teams participated in the preliminary round, and after rigorous competition, 12 teams comprising 36 individuals emerged victorious and qualified for the finals.



Key Performance

100% coverage rate of safety training

225 safety emergency drills held in Jinhong

17,888 persons participated in safety training



Customer Service

Customer Service System

Jinhong Gas has formulated a comprehensive service strategy, with a focus on fostering the development of "Green Ecology." This strategy encompasses a comprehensive suite of services that span the entire lifecycle, including gas planning, design, installation and construction, along with the development, production, filling, distribution, testing, operation, maintenance, recycling and management of various industrial gases.

Full Life Cycle Service

- ✔ Customized gas supply scheme planning services
- ✔ Customized design and manufacturing
- ✔ Professional technical support
- ✔ Inspection and predictive maintenance
- ✔ Intelligent logistics distribution
- ✔ Multi-channel consulting services

On-site Gas Service

To meet the unique requirements of our customers, we offer a comprehensive range of on-site gas production lifecycle services. By the end of the Reporting Period, we have successfully delivered these specialized services to numerous enterprises, including STIC, AscenPower, HTGD, HC Semitek and Changelight.

During the reporting period, Jinhong has secured nine new on-site gas production projects, significantly strengthening our relationship and loyalty with our esteemed customers.

Customer Communication Channels

- ✔ Web : www.jinhonggroup.com
- ✔ Wechat public account: Jinhong Gas
- ✔ Complaint hotline: 400-886-2178
- ✔ Fax: 86-512-65789129
- ✔ Hotline: 400-828-7377



Customer Satisfaction Survey

To gain a profound understanding of customers' satisfaction levels with our products and services, promptly identify any issues, consistently enhance quality, foster loyalty, strengthen our competitive edge, and provide a solid foundation for our decision-making processes, Jinhong Gas conducts annual customer satisfaction surveys.

Key Performance

99.05% customer satisfaction

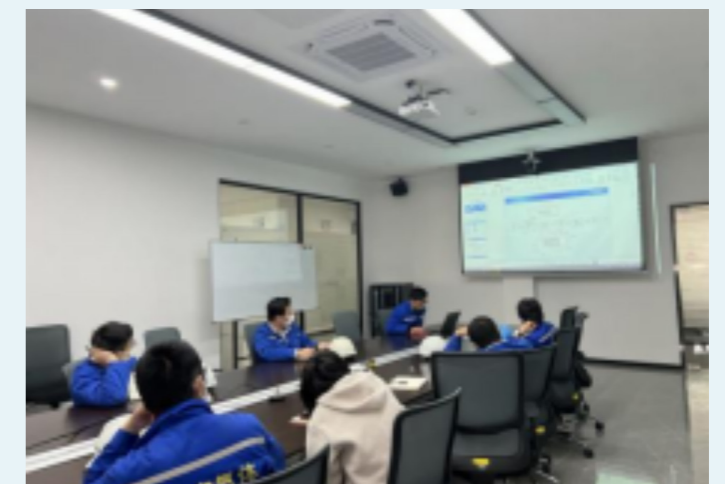
100% customer complaint resolution rate

Customer Service Training

By investing in customer service training, Jinhong Gas enhances the service-oriented mindset and proficiency of its employees, ensuring that customers receive an exceptional experience and boosting their satisfaction levels. During the reporting period, the Group successfully organized 8 sales staff training courses, attracting a total of 1,050 participants with a remarkable 100% participation rate.

Electronic Special Gas out of Storage Packaging Operation Procedures Training

In February 2023, our comprehensive training will empower employees to proficiently master the operational procedures for electronic special gas outbound packaging, thereby ensuring safe, precise, and efficient product delivery that seamlessly meets customer needs.



04

Cooperation, the common path to achieve sustainable goals

With the aim of optimizing supplier management, fostering deeper strategic collaborations, strengthening industry co-construction, and ultimately enhancing the competitiveness, Jinhong Gas actively cultivates stable partnerships with high-quality suppliers. We strive for mutual growth and prosperity with industry partners, actively participating in industry co-construction efforts to promote the sustained health of the sector. Through these endeavors, we aim to bolster our overall strength and secure our long-term development.



- Supplier Management
- Strategic Cooperation
- Global Expansion
- Industry Co-construction

Supplier Management

Supplier Management System

Jinhong Gas adheres strictly to relevant laws and regulations and has established a comprehensive suite of processes and regulations, including the *Supplier Development and Certification Process*, *Supplier Classification Management Regulations*, *Supplier Performance Management Process*, *Supplier Two-Party Audit Process*, and *Supplier Information Management Regulations*. These measures standardize our approach to supplier selection, development, certification, evaluation, auditing, and maintenance. We ensure that our suppliers meet our standards for quality, reasonable pricing, and reliable delivery, aligning with our production needs. Additionally, we forge clean agreements with qualified suppliers, resolutely eliminating any form of commercial bribery and unfair competition, ensuring that our procurement process remains fair and transparent.

Key Performance

100%
Integrity training coverage

Supplier Selection and Access

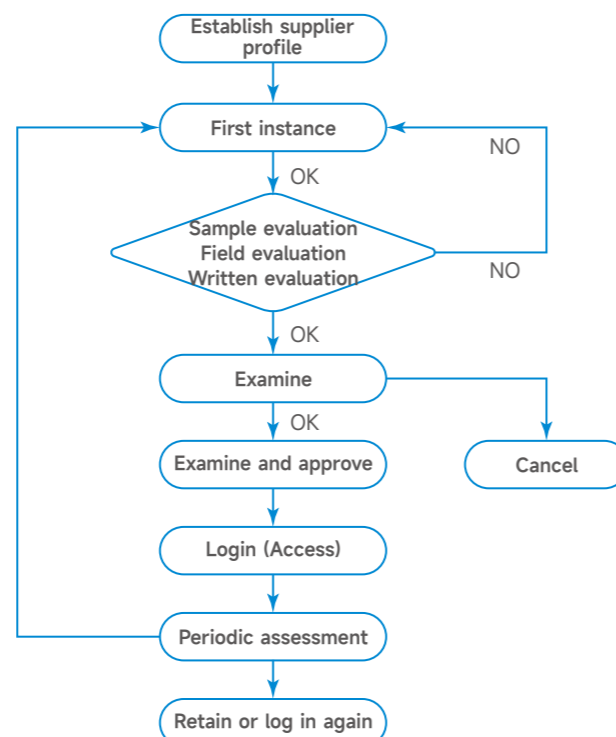
Jinhong Gas meticulously evaluates suppliers' products, adhering strictly to the prescribed procedural documents to guarantee their compliance with relevant standards. Subsequently, we form an evaluation team to conduct thorough inspections and on-site audits. This team assesses the supplier's production capabilities, delivery timelines, and after-sales service. Additionally, the team evaluates the supplier's reputation, financial standing, and commitment to environmental and social responsibilities. This comprehensive approach ensures the stability of our supply chain and customer satisfaction. By carefully selecting suppliers capable of providing high-quality products and services for sustained, stable collaboration, we aim to achieve mutual success and win-win outcomes.

Supplier Evaluation and Classification

Jinhong Gas carries out a meticulous and comprehensive assessment of suppliers utilizing the *Supplier Quality System Audit Form*. This assessment encompasses various aspects such as the quality status, delivery timeline, service offerings, and pricing of the products provided during the evaluation. Based on the evaluation results, suppliers are categorized into four distinct levels: I, II, III, and IV. This categorization ensures the sustainable development and efficient operation of our supply chain.



▼ Supplier Selection Development and Management Process



Green Procurement

Green procurement is not just about cutting costs and enhancing efficiency for enterprises but also drives the green transformation of the entire supply chain, fostering sustainable societal development. In the crucial stages of supplier selection and product procurement, Jinhong Gas places utmost priority on choosing products and services that meet rigorous green standards or certifications. By fostering close collaboration with our suppliers, we jointly champion innovation and achieve noteworthy accomplishments in energy conservation, emission reduction, and resource preservation.

Strategic Cooperation

Jinhong Gas is dedicated to yield sustainable development through strategic collaborations that foster synergistic enhancements in economic, environmental, and social benefits. It strives for win-win outcomes in its partnerships and explores innovative development models by establishing close cooperative relations with leading enterprises and institutions across diverse fields.

One-stop Solution for Liquid Helium Storage and Transportation

During the reporting period, Jinhong Gas and CIMC initiated a strategic cooperation with the launch ceremony of a new generation of domestic liquid helium tank products, and the two sides will collaboratively develop a one-stop solution for liquid helium storage and transportation. We plan to purchase a batch of liquid helium tanks for the storage, transportation and distribution of liquid helium. Through this cooperation, the two sides will establish an in-depth exchange and communication mechanism, give full play to their respective advantages, build a one-stop solution for liquid helium storage and transportation, and help achieve a new situation of domestic helium autonomous control.



▲ Debut Ceremony of New Generation of Domestic Liquid Ammonia Tank Products

Global Expansion

Jinhong Gas closely aligns with the national "the Belt and Road" initiative and proactively establishes subsidiaries in Vietnam and Singapore. Leveraging its inherent strengths, Jinhong Gas strives to establish a robust overseas business foundation, enabling its products to expand globally and laying a solid foundation for international development.



▲ Vietnam Jinhong

In June 2023, Jinhong Gas made a significant appearance at the 2023 Middle East International Gas Exhibition. The visit of our "pioneer team" to Dubai represented a noteworthy milestone in our import and export business. This trip effectively bolstered the frequency and depth of Sino-foreign industry exchanges, enhancing our competitiveness in overseas market orders, fostering the dissemination of cutting-edge technologies, and contributing to the establishment of industry standards.



▲ Middle East International Gas Exhibition 2023

Jinhong Gas's products have been exported to a diverse array of 32 countries, including the United Kingdom, Germany, France, Japan, South Korea, Chile, Nigeria and Australia, with business spanning across Asia, Europe, Africa, and Oceania. Looking ahead, Jinhong Gas aims to further deepen its export cooperation with countries along "the Belt and Road" initiative, continually expanding its business scope and enhancing its global market influence. This will lay a solid foundation for future sustainable development, ensuring that Jinhong Gas remains a formidable player in the international arena.



Industry Co-construction

Jinhong Gas actively engages in industry seminars, significantly contributing to the overall development of the sector. Through participation in these forums, companies can engage with experts, scholars, and entrepreneurs within the industry, gaining insights into the latest trends and developments. By the end of the reporting period, Jinhong Gas has established memberships with numerous social organizations, including the China Industrial Gas Industry Association, the Integrated Circuit Material Industry Technology Innovation Alliance, the China Hydrogen Energy Alliance, and the China Semiconductor Industry Association. These affiliations have enabled Jinhong Gas to continuously deepen and broaden its industry exchanges, fostering even greater collaboration and cooperation.



▲ The Fourth Meeting of the Sixth National Gas Standardization Technical Committee of the National Semiconductor Equipment and Materials Standards Committee Gas Sub-committee



▲ 2023 Joint Annual Meeting of the National Bottle Label Committee Filling Branch National Gas Standard Committee Mixed Gas Branch



▲ 2023 National Conference on Gas Standardization



▲ 2023 China Gas Association Helium Industry Series and Hydrogen Energy and Other Group Standards Preliminary Review Meeting

05

Talent, the strong foundation of our company

Jinhong Gas highly values talent reserve, emphasizing the development of internal talent diversity. It actively absorbs and nurtures numerous outstanding talents from the industry, providing a robust foundation for executing its comprehensive strategic plans. Through meticulous talent development strategies, Jinhong Gas introduces and cultivates individuals, aiming to forge a highly educated, efficient, multi-disciplinary, and multi-tiered talent team. By fostering a harmonious work environment, Jinhong Gas empowers each employee to unleash their full potential and strive for excellence.



- Employee Structure
- Salaries and Benefits
- Talent Introduction
- Employee Training and Development
- Employee Rights and Interests
- Employee Health

Employee Structure

Jinhong Gas places significant emphasis on optimizing and enhancing its staff structure. By attracting and nurturing a diverse array of outstanding talents, it strives to cultivate a high-quality, innovative workforce that provides a consistent flow of energy for our business expansion and innovation efforts. This propels the enterprise towards continuous breakthroughs in product research and development, market expansion, customer service, and other critical areas.

Key Performance

2,495 employees

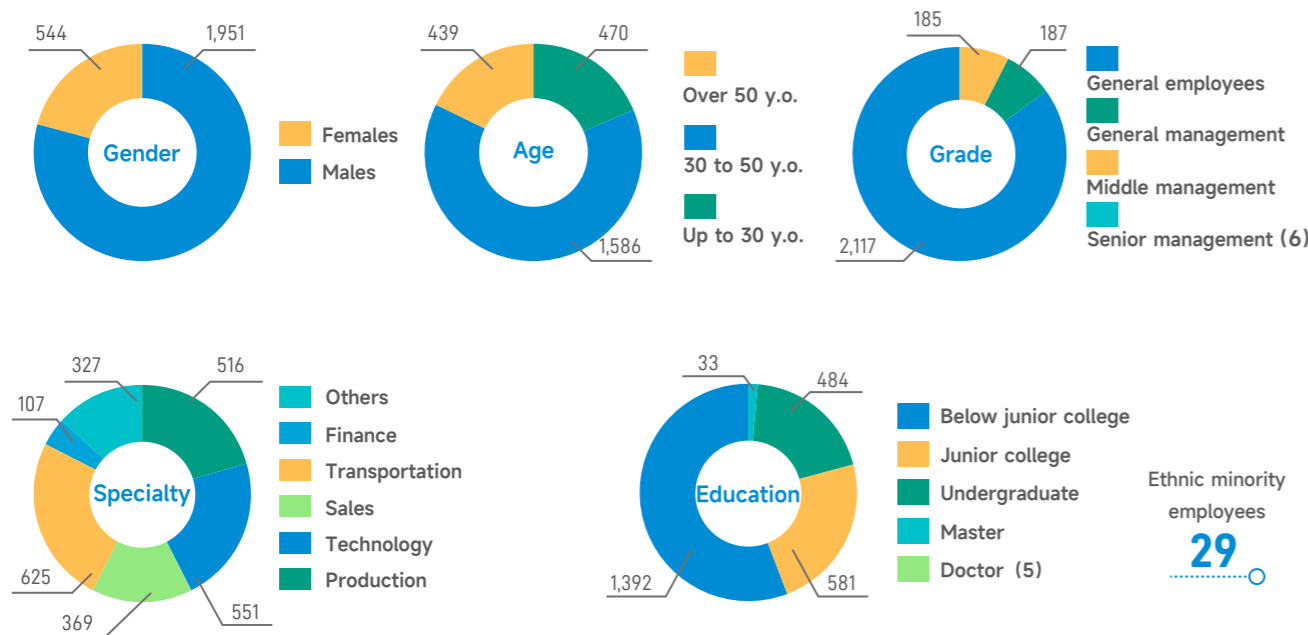
593 new employees

21.80% employees are female

113 new female employees

21.43% managers are female

Employee Structure



Talent Introduction

Talent serves as the indispensable cornerstone for driving Jinhong Gas's progress. Therefore, we accord utmost priority to the discovery and development of talents. Beyond merely posting recruitment information on job boards and social media platforms, we also reach out to the community and campuses, fostering close collaborative relationships with preeminent universities, headhunting agencies, and industry associations. Additionally, it employs a scientific talent evaluation and selection mechanism to identify individuals who truly align with our cultural and strategic requirements.

During the Reporting Period:

Jinhong Gas achieved an impressive recruitment completion rate of **97.80%**, successfully bringing in a total of **593** new employees. This influx of fresh talent has significantly revitalized the company, ensuring its long-term stability and sustainable growth. Furthermore, in February 2023, we were honored as the "Outstanding Contribution Unit of Talent Introduction" in Xiangcheng District in 2022.

Live Recruitment Event

During the reporting period, Jinhong Gas actively participated in various recruitment events, including the livestream activities in Xiangcheng District in June and the "Talent Night Market" livestream recruitment in Huangdai Town in October. Leveraging an online efficient docking platform, the recruitment manager engaged in "cloud negotiations" with job seekers, discussing Jinhong Gas's growth trajectory, job requirements, and compensation packages. This allowed for direct and seamless communication with potential candidates, fostering stronger connections and a deeper understanding of mutual expectations.



Jinhong Gas Management Training Class

Jinhong Gas proactively establishes a robust communication bridge with colleges and universities, viewing the recruitment of fresh graduates as a crucial component in cultivating a talented echelon. Additionally, Jinhong Gas devises a comprehensive management training plan, enabling these newcomers to grow through practical experience and effectively bolster Jinhong Gas's competitiveness.



Employee Rights and Interests

Compliance Employment

We strictly adhere to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Protection of Minors Law of the People's Republic of China*, and other pertinent laws and regulations. We have formulated comprehensive systems such as the *Jinhong Gas Recruitment Management Regulations* and the *Jinhong Gas Labor Contract Management System* to ensure fairness and transparency in all recruitment and employment processes. Regardless of ethnic, racial, gender, religious, or other differences, all employees are afforded equal employment opportunities. We are committed to safeguarding the legitimate rights and interests of its workforce and striving to cultivate a "Multiplicity, Equality, and Inclusiveness" corporate culture.

During the Reporting Period:

Jinhong Gas did not have any violations or complaints concerning the use of child labor or forced labor.

Key Performance

100% labor contract signing rate 100% five social insurance and one financial fund coverage rate
 100% social security coverage rate 100% full labor compensation/timely release rate

Working hours

In compliance with the *Labor Law*, the *Regulations on Working Hours of Employees issued by the State Council*, the *Measures for the Implementation of Paid Annual Leave for Enterprise Employees*, and other pertinent laws and regulations, Jinhong Gas has delineated the standard working hours, types of leave, application approval processes, overtime policies, and other related matters. This ensures the safeguarding of employees' rights and interests, promotes a healthy work-life balance, and provides a solid foundation for Jinhong Gas's stable and sustainable development.



Focus on Women's Rights and Interests

Gender equality is a crucial aspect of fostering a harmonious enterprise culture, and Jinhong Gas strongly advocates the principles of "equality between men and women" and "respect for women." We firmly believe that women possess remarkable talent and capabilities in the workplace. Consequently, we offer equal employment and promotion opportunities to our female employees, encouraging them to unleash their full potential and achieve their personal aspirations. Furthermore, we pay utmost attention to the physical and mental well-being of our female workforce, providing comprehensive welfare benefits to ensure they receive the necessary care and support in both their professional and personal lives.



▲ March 8th Women's Day Activities

Democratic Management

Workers' Congress

The workers' congress serves as the fundamental platform for democratic management within Jinhong Gas, the principal vehicle for disclosing factory affairs, and the principal mechanism for workers to exercise their democratic management rights. Jinhong Gas actively solicits the opinions and suggestions of employees regarding the production and operational management of the enterprise, as well as matters pertaining to the vital interests of its workforce. Our workers' congress is committed to safeguarding the collective bargaining rights and interests of employees, playing a pivotal role in affairs disclosure, facilitating employee participation in democratic enterprise management, deliberating on significant matters that impact employees' vital interests, and ensuring decision-making is conducted with fairness and transparency.



▲ 2023 Annual Summary and Commendation Ceremony & Workers' Congress

Diversified Communication Channels

Jinhong Gas fosters active communication and interaction with its employees through various avenues, including organizing employee seminars, publishing internal newsletters, and holding departmental exchange meetings. These platforms encourage employees to voice their suggestions and opinions regarding Jinhong Gas's operations and business practices, enabling continuous performance improvement and enhancing work efficiency.



▲ Staff Seminar



▲ Jinhong Gas Sales System Summary and Commendation Conference



▲ Jinhong Gas Monthly



▲ Departmental Meeting



▲ North and East China Sales Summit



▲ Excellent Staff Experience Sharing

Employee Satisfaction Survey

Jinhong Gas regularly conducts monthly satisfaction surveys and publishes comprehensive analysis reports to listen attentively to the voices and suggestions of its employees. We actively respond to their demands, aiming to enhance job satisfaction and loyalty among its workforce.

Key Performance

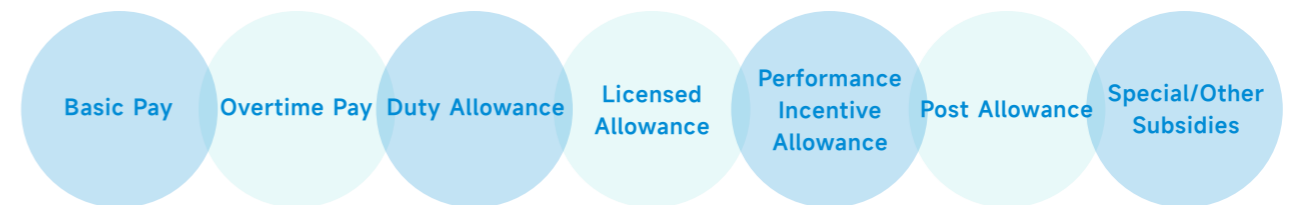
During the reporting period, **96.90%** employee satisfaction

Salaries and Benefits

Compensation and Benefits System

Jinhong Gas has established a comprehensive salary system that aligns salary income with job responsibilities and performance. This system incorporates a scientific performance appraisal framework that ensures employees being evaluated objectively and fairly based on their work outcomes. The results of these appraisals serve as the foundation for determining salary levels, thereby facilitating the standardization and institutionalization of salary management and distribution.

Jinhong Gas Compensation Structure



Employees are our invaluable assets, and a competitive welfare system serves as a magnet to attract top talents while ensuring the retention of our existing workforce. Therefore, in addition to competitive salaries, Jinhong Gas offers an array of benefits that include subsidies for high temperatures, holiday gifts, illness and injury assistance, congratulatory gifts for newborns, complimentary working meals, regular health checks, and various other perks.

Jinhong Gas Employee Welfare System



Key Performance

During the reporting period, **CNY 4,670.96** ten thousand in welfare expenditure



▲ Outdoor Activities



▲ Mid-Autumn Festival and National Day Carnival Activities



▲ "Celebrate the New Year" Ceremony



▲ Mid-Autumn Festival Welfare



Equity Incentive

In 2021 and 2022, Jinhong Gas introduced the *Jinhong Gas 2021 Restricted Stock Incentive Plan* and the *Jinhong Gas 2022 Restricted Stock Incentive Plan* respectively, aimed at igniting employee enthusiasm, enhancing performance, attracting and retaining top talents, and fostering Jinhong Gas's sustainable growth in the long run.

Employee Training and Development

Staff Training

Aligned with its development strategy, we meticulously craft the Annual Training Plan, taking into account the specific training plans and needs of each department. It ensures that each training course undergoes diverse evaluation and feedback mechanisms. Additionally, we conduct a comprehensive annual assessment of the training time and teaching hours completed by each employee, considering the completion of compulsory courses as a crucial factor in evaluating employee performance and eligibility for promotion.

Key Performance

During the reporting period, **CNY 178.03** ten thousand investment in training

During the reporting period, **100%** training coverage of new employees

Type	Training Course System						
Cadre Training	Middle/Senior Executive Training Program						
	Grass-roots Cadre Training Program						
Professional Training	Finance	Human Resources	R&D	Logistics	Quality	Production	EHS
Rookie Training	New Employee Orientation Program						
	Training Program for New College Students						
Other Training	Education Promotion Program (high school to junior college, junior college to undergraduate)						Title Promotion Project

▲Jinhong Gas Talent Training System

Training Platform Construction

Jinhong Gas initiated the "Jinhong Gas Liangjian Cloud School Project Program," which offers professional knowledge explanations and teachings encompassing leadership, workplace general functions, business etiquette, and other pertinent aspects. This endeavor aims to enrich course content, fostering a conducive atmosphere for internal sharing, communication, and learning. Furthermore, it establishes a learning platform that effectively reflects the unique corporate culture and learning principles of "Jinhong Gas."



Concurrently, we maintain an internal lecturer team, primarily comprised of its cadres, outstanding business personnel, and departmentally recommended individuals. This team is stratified into three levels: A-level lecturers, B-level lecturers, and C-level lecturers. As of the reporting period's conclusion, the Group boasted a total of 56 lecturers, including 6 at the A-level, 17 at the B-level, and 33 at the C-level.



Hierarchical Training

We have developed a comprehensive suite of system documents, including *Training and Education Management Regulations* and *Training Control Procedures*. Furthermore, we offer tailored training programs to different employees, taking into account their unique aptitudes and skill sets.

Training Program	Training Object	Training Content
Management Trainee Training Class	Management Trainee	<ul style="list-style-type: none"> Department responsibilities/Business learning. Specify learning materials and business documents. Introduce the relevant work process and provide business guidance.
Induction Training	New Employee	<ul style="list-style-type: none"> Compulsory courses: system training, corporate culture training, product knowledge training, safety training.
Job Training and Job Transfer Training	New Employee Transferred Employee	<ul style="list-style-type: none"> According to the department's job training manual, it mainly includes the safety operation specification, equipment maintenance, emergency plan, 6S and employee code of conduct.
Core Values Training		<ul style="list-style-type: none"> Training with Jinhong Gas corporate culture as the core, including: <i>Jinhong DNA</i>, <i>Speaking with results</i>, <i>Leading the team to get results</i> and other courses.
Professional Quality Training	All Employee	<ul style="list-style-type: none"> How to grasp the work life, office skills (PPT+Excel+Word), Professional image and workplace etiquette, stress and emotional management, five management and so on.
Business Advancement		<ul style="list-style-type: none"> Seven series of training for marketing, customer service, human resource management, financial management, production quality management, technology research and development, logistics management.
Management Advancement	Junior Management Personnel	<ul style="list-style-type: none"> Three levels of management training for team leader management, junior manager management, middle and senior management.
Outward Bound Training	Elementary and Intermediate Managerial Personnel	<ul style="list-style-type: none"> Outdoor challenges, team building activities, thinking camp activities, cultural experience activities and other training.
Leadership Training	Decision Maker Leader	<ul style="list-style-type: none"> Macroeconomic, strategic planning, organization and management, business wisdom training.



▲ Eagle Talent Training Program



▲ "Third Command Project" Personnel Training Project



▲ Management Trainee to Model Training Camp



▲ High Performance Sales Team Building Course

Apart from offering fundamental training, Jinhong Gas actively encourages and backs its employees in actively pursuing internal and external qualifications pertinent to the business. It remains steadfast in its commitment to cultivating a multidisciplinary talent pool that is dedicated, ethical, skilled, innovative, and enriched with diverse talents.



▲ Vocational Skill Level Certification Exam



▲ Delivery Clerk Training Program

Staff Development

Jinhong Gas holds the career development of its employees in high regard, continuously striving to refine its promotion system and enhance employee enthusiasm. This ensures robust talent support for Jinhong Gas's sustainable growth. To fully tap into internal talent, Jinhong Gas has established the *Jinhong Gas Employee Transfer Management Regulations*. This allows employees to seek development opportunities, aligning with their career planning and personal interests.

Employee Health

Paying attention to employee health is instrumental in boosting work efficiency, satisfaction, and promoting the sustainable development of enterprises. Jinhong Gas has formulated a comprehensive health and safety policy, established an effective management system, and launched promotional programs to prioritize the physical and mental well-being of its employees. Regular health check-ups and fitness activities are organized to promote a healthy lifestyle. Furthermore, we place particular emphasis on the quality of drinking water and sanitation environment, providing employees with qualified drinking water equipment and arranging regular cleaning and disinfection of sanitation facilities by professional personnel. Additionally, we regularly commissions professional third-party organizations to conduct comprehensive workplace testing, ensuring a hygienic, healthy, and comfortable working environment for its employees.

During the Reporting Period:

We passed the ISO 45001 Occupational Health and Safety management system certification.



▲ ISO 45001 Occupational Health and Safety Management System Certification

06

Responsibility, the commitment to our social contribution

As a socially responsible enterprise, Jinhong Gas not only prioritizes economic benefits but also emphasizes fulfilling social responsibilities and obligations. Committed to sustainable development as our ultimate goal, we remain deeply mindful of societal issues, proactively discharging our social responsibilities, and enthusiastically participating in public welfare activities. It is through these tangible actions that we strive to execute our commitment to societal duties.



- Care for the Next Generation
- Public Welfare Activity

Care for the Next Generation

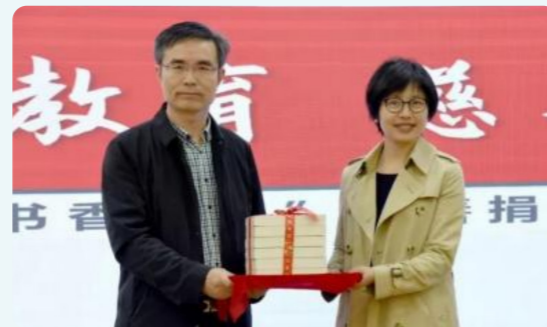
In recent years, Jinhong Gas has generously donated to various organizations, including the Jiangsu Virtus Foundation, Suzhou Charity Federation, Suzhou Caring for the Next Generation Foundation, the "Xiangyanghua Scholarship Fund" of the Suzhou New Generation Entrepreneurs Chamber of Commerce, Suzhou Youth Development Foundation, Suzhou Xiangcheng District Charity Association, and Huangdai Town Charity Association. Additionally, we pledged "Youth Blessing Bags" to the "Warm Winter Action" campaign led by the Suzhou Youth League Committee and Youth Development Foundation. We also actively participated in the "Warm Feelings · Build a Dream for the Future" student aid program initiated by the Charity Association of Huangdai Town, Xiangcheng District, Suzhou City. Furthermore, we donated books to Suzhou Industrial Park Star Bay School, Suzhou No. 10 Middle School, Suzhou Zhenhua Middle School, and other institutions to contribute towards the establishment of "bookish campuses" and supported the growth and development of young individuals.



▲ Meeting with some Directors of Caring for the Next Generation Foundation

Book Donation of "Scholarly Campus" Project

Under the auspices of the Suzhou Caring for the Next Generation Work Committee, Jinhong Gas contributes significantly to the establishment of Suzhou's school education "Scholarly Campus" project. We actively engage in the "Love Nourishing Education, Charity Feeding the Future" book donation campaign, aim at fostering a reading culture within campuses and supporting the educational development of future generations.



▲ Book Donation Ceremony

Xingan Baby Project

To embody goodness and walk in the light, Jinhong Gas, as a proud member of the caring enterprises, lends support to SMIC's "Xingan Baby Project." We actively participate in donations, making modest yet meaningful contributions, and spreading warmth through our trickle of love to bring more hope to children in need.



▲ "Xingan Baby Project" Donation Ceremony

Public Welfare Activity

Throughout our business development, we have remained steadfast in its original aspirations, upholding social responsibility and actively engaging in various charity projects. These include assisting the elderly, aiding the impoverished, supporting the disabled, assisting students, and aiding doctors, among others. With practical actions, we have supported the advancement of social charity efforts, delivering warmth and infusing positive energy into our community.

To better cater to the residents' oxygen therapy requirements, Jinhong Gas undertakes the crucial task of supplying medical oxygen to multiple community oxygen inhalation points. We ensure the prompt and precise delivery of high-quality medical oxygen, thereby safeguarding the residents' oxygen therapy needs and their overall health and safety.



▲ Medical Oxygen Products

Express genuine feelings through actions, convey love through deeds. Jinhong Gas donated money to Wuzhong District Big Ben rescue dog mobile team to support the construction of Wuzhong District Big Ben rescue dog mobile team.



We expressed heartfelt condolences to the nursing home for the elderly, demonstrating our profound love and care for the staff and residents. This gesture underscores our commitment to corporate social responsibility and its dedication to humanistic care.



Furthermore, we regularly take part in voluntary blood donation events. Our employees actively sign up and volunteer, willingly contributing their share of love to society. These unpaid blood donation activities not only demonstrate our commitment to social responsibility and compassion, but also underscore the selfless dedication and service-mindedness of our employees.



Alongside this, Jinhong Gas remains committed to safeguarding traditional culture, steadfast in our adherence to the principles of preserving and honoring it." Reflecting this commitment, we actively participated in the co-organization of the "Chengjie" cultural propaganda group's inaugural performance and the "Our Festival · Yuanxiao" cultural activities during the 2023 Lantern Festival. Through traditional performances encompassing Pingzhu, tin opera, Yangcheng fishing songs, dance, and other art forms, we showcased the profound spiritual essence of the Party's 20th Congress in a manner that resonated with the masses. Furthermore, we celebrated the inspiring and heartwarming narratives of Xiangcheng, paying tribute to its rich cultural heritage.



Look forward to the Future

The growth of enterprises and the undertaking of social responsibility are interrelated, they mutually influence each other and collaboratively promote the development of businesses. To achieve healthy and sustainable development, enterprises focus should extend beyond their own operations and profits, but also actively fulfill their social responsibilities. Corporate social responsibility can not only enhance brand image and reputation, but also create broader development space and opportunities for enterprises.

Jinhong views environmental, social, and corporate governance as integral components of fundamental operations, alongside research and development, production, and sales. This approach not only serves as a cornerstone for Jinhong's sustainable and long-term development, but also represents a crucial means for enterprises to fulfill their social responsibilities. In our daily operations, we prioritize balancing the interests of all parties, with a particular focus on environmental protection, social responsibility, and corporate governance matters. We are committed to actively fulfilling the needs of all stakeholders, safeguarding their rights and interests.

As a preeminent Group in the domestic industrial gas industry, we fully grasp the significance of corporate social responsibility and seamlessly integrate it into our long-term development strategy. We examine the intricate nexus between social responsibility and the enduring prosperity of enterprises through the prism of societal, environmental, and economic harmony. Our endeavor is to transform social responsibility into a catalyst for enterprise growth and enduring benefits. We aim to achieve a harmonious blend of economic profitability and societal welfare, thereby contributing to the sustainable development of society as a whole.

Appendix

Reporting Index

Catalogue		CASS-ESG 5.0	(GRI Standards)
About this Report		P1.1/P1.2/P1.3/G3.7	2-2/2-3/2-4
Message from the Chairman		P2.1/P2.2	/
Highlights of Sustainable Development in 2023		P3.1	/
About Jinhong Gas		P4.1/P4.2/P4.3/P4.4	2-1/2-6/2-9
Sustainability Management	Sustainability Concept	G3.2	2-9/2-14
	Sustainability Goal	G3.2	2-22
	Advancing for Our Stakeholders	G3.6	2-16/2-29
	Identification of Material Topics	G3.5	3-1/3-2/3-3
Topic: Green Mission for the Gas Industry		V4.3/V4.4/V4.5	302-5
Compliance, the basis of our corporate governance	Governance Structure	G1.1/G1.2	2-9/2-10/2-11/2-12/2-27
	Returns to Shareholders	G1.10	2-12
	Investor Rights and Interests	G1.10	2-16/2-27/2-29
	Information Disclosure	G1.10	/
	Risk Management	G1.3	2-12/207-1/207-2
	Business Ethics	G1.5/G1.6/G1.7/G1.8/G1.9	205-1/205-2/205-3/206-1
	Information Security Management	S4.6	418-1
	Guidance of Party Building	/	2-27
Environment, the important part of building ecological civilization	Environmental Management	E1.1/E1.2/E1.3/E1.4/E1.5/E1.6/E1.7	2-12/2-27
	Energy Management	E1.8/E2.1/E2.2/E2.4/E5.1/E5.5/E5.6	302-1/302-2/302-3/302-4/302-5/305-1/305-2
	Environmental Impact Management	E2.9/E2.10/E3.1/E3.2/E3.3/E3.4/E3.5/E3.6/E3.8	303-1/303-2/303-4/303-5/ 306-1/306-2/306-3/306-4/306-5
	Ecological Conservation	E4.1	304-1/304-2

Catalogue		CASS-ESG 5.0	(GRI Standards)
Excellence, the ultimate pursuit of quality development	R&D Innovation and IP Management	V2.1/V2.2/V2.3	203-1
	Quality Management	S4.1/S4.4/S4.5	416-1
	Intelligent Manufacturing	V1.1/V1.3/V1.4	/
	Safe Production	S3.3/S3.4/S3.5/S3.6/S3.7/S3.8 /S3.9/S3.10/S3.11	403-1/403-2/403-3/403-4/403-5/403-6/403-7/4 03-8/403-9/403-10
	Customer Service	S4.1/S4.7/S4.8	416-1
Cooperation, the common path to achieve sustainable goals	Supplier Management	S5.1/S5.2/S5.7	414-1
	Strategic Cooperation	V2.8	/
	Global Expansion	V1.1/V1.3	/
	Industry Co-construction	V2.5/V2.7	/
Talent, the strong foundation of our company	Employee Structure	S1.3	405-1
	Talent Introduction	V3.1/V3.2	401-1
	Employee Rights and Interests	S1.1/S1.2/S1.4/S1.6/ S1.8/S1.9/S1.10/S1.11	401-2/406-1/407-1/408-1/409-1
	Salaries and Benefits	S1.7	201-3
	Employee Training and Development	S2.1/S2.2/S2.3/S2.4	404-1/404-2/404-3
	Employee Health	S3.1/S3.2	403-1
	Responsibility, the commitment to our social contribution	Care for the Next Generation	V3.3
	Public Welfare Activity	V3.4/V3.5	203-1/413-1
Look forward to the Future		A1	/
Appendix	Reporting Index	A4	/
	Performance Table	A2	/
	Feedback Form	A5	2-16

Performance Table

Dimensionality	Indicators	Unit	2023
Economic Performance	Revenue	CNY Ten thousand	242,735.33
	Net Income Attributable to Shareholders of Listed Company	CNY Ten thousand	31,500.14
	Total assets	CNY Ten thousand	623,965.93
	Total Tax Payment (Excluding personal income tax)	CNY Ten thousand	17,807.94
Governance Performance	Shareholders' meeting convened	Times	2
	Proposal Passed at Shareholders' General Meeting	Items	13
	Board of Directors	Persons	8
	Independent director	Persons	3
	Female director	Persons	2
	Directors Board Meeting	Times	8
	Proposal Deliberated by Board of Directors	Items	42
	Supervisory board meeting	Times	7
	Proposal Deliberated by Board of Supervisors	Items	34
	Cash dividend per share (Tax included)	CNY	0.25
	Total Amount of Cash Dividends Disbursed (Tax included)	CNY Ten thousand	12,030.06
	Percentage of net income attributable to shareholders of listed company in consolidated statement	%	52.50
	Performance presentation	Times	3
Investor communication	Times	237	
SSE E-interactive reply	Times	65	
SSE E-interactive response rate	%	100	
Regular report disclosure	Pieces	4	
Interim announcement disclosure	Pieces	87	
Internal audit project	Items	43	
Staff anti-corruption training coverage	%	100	
Major violation of business ethics	Times	0	
Information security related incidents	Times	0	

Dimensionality	Indicators	Unit	2023
Environmental Performance	Environmental Management		
	Environmental protection input	CNY Ten thousand	333.70
	Compliance rate of waste water, waste gas, dust and noise	%	100
	Chemical spill incident	Times	0
	Other major environmental violations	Times	0
	Events that have a major impact on biodiversity	Times	0
	Resource Management		
	Comprehensive energy intensity	Tons of standard coal/CNY million	7.42
	Intensity of LNG consumption	Tons/CNY million	0.01
	Intensity of gasoline consumption	Tons/CNY million	0.01
	Diesel fuel consumption intensity	Tons/CNY million	1.74
	Intensity of consumption of purchased power	kWh/CNY million	38,845.37
	Intensity of purchased heat consumption	Gj/CNY million	2.01
	Water use intensity	Tons/CNY million	1,288.41
	Greenhouse Gas Emission Management		
	Greenhouse gas emission intensity (Scope 1 and Scope 2)	tCO ₂ e/CNY million	27.77
	Greenhouse gas (Scope 1) emission intensity	tCO ₂ e/CNY million	5.55
	Greenhouse gas (Scope 2) emission intensity	tCO ₂ e/CNY million	22.37
	Carbon reduction from renewable energy	tCO ₂ e	384.17
	Management of Three Wastes Discharge		
	Wastewater discharge intensity	Tons/CNY million	20.36
	Recycling rate of wastewater	%	14.77
	Exhaust emission intensity	Ten thousand cubic meters/CNY million	5.72
	Particulate emission intensity	Tons/CNY million	2.29x10 ⁻⁴
	SO ₂ emission intensity	Tons/CNY million	4.45x10 ⁻⁴
	NOx emission intensity	Tons/CNY million	1.35x10 ⁻⁴
	Volatile organic compounds emission intensity	Tons/CNY million	4.12x10 ⁻⁴
General industrial waste produces strength	Tons/CNY million	0.002	
Compliance rate of general industrial waste generated	%	100	
Hazardous waste generation intensity	Tons/CNY million	0.017	
Compliance rate of hazardous waste generated	%	100	

Dimensionality	Indicators	Unit	2023
Industrial Performance	Technological Innovation & Intellectual Property Protection		
	Investment in R&D	CNY Ten thousand	8,630.14
	R&D investment as a percentage of revenue	%	3.56
	Total number of R&D team	Persons	377
	Number of master degree or above in R&D team	Persons	18
	New patent application	Items	61
	New application for invention patent	Items	31
	New application for utility model patent	Items	30
	Newly granted patent	Items	62
	New authorized invention patents	Items	24
	Accumulated authorized patents	Items	332
	Accumulated authorized invention patents	Items	85
	Product Quality		
	Quality internal audit	Times	236
	A product recall occurred	Times	0
	Safe Production		
	Safety input	CNY Ten thousand	3,240.87
	Major casualty accident	Times	0
	Incidence of occupational disease	%	0
	Fire, explosion accident	Times	0
	Deaths in the line of duty	Persons	0
	Safety training coverage	%	100
	Conduct safety emergency drills	Times	225
	Participate in safety training staff	Person-time	17,888
	Customer Service		
	Customer satisfaction	%	99.05
	Customer complaint resolution rate	%	100

Dimensionality	Indicators	Unit	2023
Industrial Performance	Supplier Management		
	Integrity training coverage	%	100
Employee Performance	Employee Rights and Interests		
	New employees	Persons	593
	Recruitment completion rate	%	97.80
	Bring in new female employees	Persons	113
	Total number of employees	Persons	2,495
	Coverage rate of labor contract	%	100
	Coverage of five social insurance and one financial fund	%	100
	Full labor compensation/timely release rate	%	100
	Proportion of women in management	%	21.43
	Percentage of female employees	%	21.80
	Minority employees	Persons	29
	Employment violations	Times	0
	Compensation and Benefits		
	Employee welfare expenditure	CNY Ten thousand	4670.96
	Democratic Management		
	Employee satisfaction	%	96.90
	Staff Training and Development		
	Training investment	CNY Ten thousand	178.03
	New employee training coverage	%	100
	Internal lecturer	Persons	56

Feedback Form

Thank you for taking the time to read Jinhong Gas CO.,LTD. 2023 Environmental, Social, and Governance (ESG) Report. We greatly appreciate your feedback on our ESG efforts and this report, as it serves as a crucial foundation for us to continually enhance the level of transparency in our ESG information disclosure. Your comments and suggestions are invaluable in promoting the management and practice of sustainable development within our enterprise. Kindly complete the form below and send us your feedback via email.

- Mail : dongmi@jinhonggroup.com

1.As far as Jinhong is concerned, your identity is:

- Regulatory agency Client Employee Public Supplier
 Shareholders and Investors Trade association Medium Other_____

2.Your overall assessment of our ESG performance is:

- Excellent Good Neutral Poor Bad

3.Your overall assessment of this report is:

- Excellent Good Neutral Poor Bad

4.What do you think of the quality of ESG information disclosed in this report?

- Excellent Good Neutral Poor Bad

5.What do you think of the structure of this report?

- Excellent Good Neutral Poor Bad

6.What do you think of the layout and presentation of this report?

- Excellent Good Neutral Poor Bad

7.Can you easily find the information you are interested in in the report?

- Yes Neutral No

8.What are your comments and suggestions on our specific actions to fulfill our social responsibility and sustainable development, as well as this report?

9.In addition to what has already been revealed in this report, what other information would you like to see?
